MASTER SERVICES AGREEMENT

between

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, AS REPRESENTED BY THE MINISTER OF MANAGEMENT SERVICES

and

IBM CANADA LIMITED

as of December 3, 2004

MASTER SERVICES AGREEMENT

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Schedule R - Privacy Obligations
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Schedule T - Brand Permission
Schedule U - Change Order Process Forms
Schedule V - Form of Non-Disclosure Agreement
Schedule W - Form of Invoice
Schedule X - Services Recovery

Schedule Y - Purchase Terms and Conditions
Schedule Z - Transition

THIS MASTER SERVICES AGREEMENT is entered into as of December 3, 2004 (the "**Effective Date**"), between IBM Canada Limited ("**IBM**"), a company incorporated under the laws of Canada and **Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Management Services** (the "**Province**").

RECITALS

A. The Province conducted a competitive procurement process under the JSRFP for purposes of establishing a contractual business alliance with an experienced and qualified third party to, among other things, manage and deliver certain workplace support services to the Province;

B. As a result of the JSRFP process, the Province selected IBM to provide the workplace support services to the Province subject to, and in accordance with, the terms of this Agreement;

C. IBM is a wholly-owned subsidiary of IBM World Trade Corporation;

D. The Parties are committed to fulfilling their obligations with respect to the security of information and protection of privacy of Personal Information, and have therefore structured this Agreement, and the relationship between the Parties, in order to ensure that the same is achieved where IBM has access to or Custody of Personal Information;

IN CONSIDERATION of the foregoing and the mutual covenants and agreements contained in this Agreement, the Parties covenant and agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 Definitions.

Unless otherwise provided in this Agreement (or in any Schedules attached to this Agreement), capitalized terms shall have the meanings given to those terms in the attached **Schedule A** (*Definitions*). In addition to the definitions contained in **Schedule A** (*Definitions*), any capitalized terms defined elsewhere in this Agreement shall have the meanings so given to them.

1.2 Recitals.

The recitals to this Agreement are intended to be a general introduction to this Agreement and are not intended to expand the scope of the Parties' obligations under this Agreement or to alter the plain meaning of the terms and conditions of this Agreement.

1.3 Headings.

The division of this Agreement into Articles, Sections, Subsections, paragraphs and clauses and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.4 Interpretation.

In this Agreement, unless expressly stated to the contrary:

(a) the terms "Agreement", "hereof", "hereunder", and similar expressions refer, unless otherwise specified, to this Agreement taken as a whole and not to any particular Article, Section, Subsection, paragraph, clause or other portion of this Agreement;

(b) words importing the singular number only shall include the plural, and vice versa, and words importing gender shall include all genders;

(c) unless something in the subject matter or context is inconsistent therewith, all references in this Agreement to Articles, Sections, Subsections, paragraphs, clauses and Schedules refer to Articles, Sections, Subsection, paragraphs, clauses and Schedules of this Agreement;

(d) words and phrases denoting inclusiveness (such as "including" or "includes"), whether or not stated as being without limitation, are not limited by their context or the words or phrases which precede or succeed them;

(e) unless otherwise provided in this Agreement, whenever the words "discretion", "option" or any variations thereof are used with respect to a Party, they shall be deemed to mean such Party's sole and absolute discretion or option; and

(f) any reference to a statute shall be deemed to refer to the statute and any regulations made thereunder in force as at the date hereof, as the same may be subsequently amended or replaced from time to time, unless otherwise expressly provided.

1.5 Acting Reasonably.

Any requirement set forth in this Agreement for a Party to use reasonable efforts shall mean commercially reasonable efforts having regard to the surrounding circumstances unless provided otherwise. Notwithstanding the foregoing, any requirement set forth in this Agreement for the Province to act reasonably (including any requirement for approvals by the Province not to be unreasonably withheld) shall not require the Province to act in a manner that is contrary to or is inconsistent with any:

(a) Treasury Board decisions (by means of Treasury Board directives, regulations or otherwise);

(b) formal policies, rules, directives, executive directions or guidelines of the Province that are of general application, are not specifically intended to resolve Disputes under this Agreement, or are not otherwise contrary to or inconsistent with the express provisions of the Agreement; or

(c) regulations, legislation or other similar determinations of the Province.

1.6 Accounting Policy.

In this Agreement all references to "**GAAP**" refer, unless otherwise specified, to generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants (or any applicable successor institute thereto) as at the date on which such calculation is made or required to be made, consistently applied. Unless otherwise provided in this Agreement, all accounting, record keeping, book keeping and other actions of IBM contemplated in this Agreement shall be performed and carried out in a manner that is consistent with GAAP.

1.7 Calculation of Time Periods.

Unless otherwise specified in this Agreement, when calculating the period of time within which or following which any act is to be done or any step taken, the date which is the reference date for starting

the calculation of such period shall be excluded and the final date for completing such act or step shall be included.

1.8 Currency References.

Unless otherwise specified, all dollar references in this Agreement are deemed to refer to lawful money of Canada.

1.9 Time.

Time shall be of the essence of this Agreement, provided that this provision shall not prevent either Party from relying on any cure periods expressly provided for in this Agreement.

1.10 Schedules.

The following are the Schedules attached to this Agreement, which are expressly incorporated into this Agreement and are deemed to be an integral part of this Agreement:

Schedule A	-	Definitions
Schedule B	-	Services
Schedule C	-	Certified Copies of Extracts of Key Subcontracts
Schedule D	-	Service Levels
Schedule E	-	Shared Infrastructure
Schedule F	-	Charges
Schedule G	-	Technical Transition/Refresh
Schedule H	-	Organizational Structure
Schedule I	-	Application and Operating Software Lists
Schedule J	-	Equipment
Schedule K	-	Standards -Hardware
Schedule L	-	Facilities
Schedule M	-	Key Positions
Schedule N	-	Summary Financial Information
Schedule O	-	Termination Fees
Schedule P	-	Governance
Schedule Q	-	Form of Certificate of Insurance
Schedule R	-	Privacy Obligations
Schedule S	-	Reporting
Schedule T	-	Brand Permission
Schedule U	-	Change Order Process Forms
Schedule V	-	Form of Non-Disclosure Agreement
Schedule W	-	Form of Invoice
Schedule X	-	Services Recovery
Schedule Y	-	Purchase Terms and Conditions
Schedule Z	-	Transition

1.11 Document Conflicts.

The main body of this Agreement, the Schedules attached to this Agreement and the Transaction Documents are to be interpreted so that all of the provisions are given as full effect as possible. In the event of a conflict among the foregoing, and unless expressly stated to the contrary, the order of precedence shall be as follows:

(a) first, the main body of this Agreement (which for clarity means the Recitals and Articles 1 – 32) provided that with respect to the purchase by the Province of Machines and Programs, the Purchase terms and conditions set forth in **Schedule Y** (*Purchase Terms and Conditions*) shall apply;

(b) second, any Schedules (with the exception of **Schedule Y** (*Purchase Terms and Conditions*)) attached to this Agreement;

(c) third, any other Transaction Documents; and

(d) fourth, any provisions of the JSDA that expressly survive the termination of the JSDA, as contemplated in Section 52 of the JSDA, with respect to matters under that agreement.

1.12 Joint Drafting.

The Parties have jointly contributed to the drafting of this Agreement, the Schedules attached to this Agreement, the Transaction Documents and all other documents referenced herein or therein. Accordingly, it is the intention of the Parties that the principle of *contra proferentem* shall not apply with respect to interpretation matters in respect thereof.

1.13 Objectives of the Parties.

The Parties acknowledge and agree that the primary objectives of their contractual relationship under this Agreement are as follows (it being acknowledged by the Parties that all such objectives are important to the Parties and the order thereof set forth below does not reflect any differing importance or order of priority of such objectives):

(a) for IBM to deliver the Services to the Province, as well as other additional services contemplated by this Agreement and added to the Agreement through the Change Order Process or as Project Services;

(b) to assist the Ministry in achieving the goals and objectives set forth in the JSRFP, including the following;

(i) the ongoing reduction of the annual cost of performing workstation services calculated on a per Seat basis,

(ii) to implement rapid advancement of standardization of equipment and regionalized service levels,

(iii) to ensure continual improvement in service levels to achieve "best-in-class" standards as soon as possible,

(iv) to establish and maintain positive and productive working relationships with the Ministry and the Client Ministries; and

(v) to enable a rapid transition to a new service delivery model;

(c) to develop a long term and mutually beneficial business relationship characterized by, among other things, a positive relationship based upon mutual trust, respect and understanding of each Party's interests, mutual cooperation, and flexibility to allow for the addition of services within the scope of the Services described in this Agreement, as

well as the flexibility to allow for the addition or removal of Seats as may be necessary as a result of volume fluctuations and any unforeseen conditions or circumstances;

(d) to allow IBM to meet or exceed the Service Levels and the Province's service delivery requirements as described in this Agreement, to proactively seek improvements on an ongoing basis in the delivery of the Services where appropriate and possible, to provide the Services to the Province throughout the Term in a more flexible and efficient manner than that in which the Province has been able to provide previously, and to allow IBM to maintain and exceed all Service Level Requirements, outcomes and Client satisfaction;

(e) to protect the security and privacy of the Personal Information of the Province to which IBM may have access as a result of changes to the Services or in the procedure, applications or technology used by IBM in performing or delivering the Services after the Effective Date, in accordance with the Change Order Process, so that there are no circumstances pursuant to which any such information:

(i) is disclosed or used contrary to the terms of this Agreement or any Applicable Laws of Canada or British Columbia; or

(ii) is stored or can otherwise be accessed anywhere other than in Canada, whether in its original form or otherwise;

(f) to provide for the transition of the Services to IBM by the Commencement Date, and back to the Province or an Alternate Service Provider on the expiration or termination of this Agreement, in a manner that is efficient, enables continued and uninterrupted delivery of such Services during each such transition, and minimizes any adverse impact on the businesses of the Province in connection therewith;

(g) to implement, to the extent possible, standardization as a "best practice" with respect to the workstations, with a view to facilitating the reduction of operational and ownership costs of the Services;

(h) to facilitate the ability of the Province to continue to provide a leadership role in the development, communication and ongoing maintenance of standards with respect to the Services;

(i) to assist the Province in establishing a framework for the whole of government to adopt and maintain standards set by the office of the Chief Information Officer or its successor, for purposes of facilitating:

(i) the ability of the Clients to maximize the value of the Services;

(ii) coordination of the Clients' business requirements and the selection and timing of new standards and technologies; and

(iii) cost reductions while improving the Services and maintaining or exceeding the applicable Service Levels;

(j) to allow the Parties to jointly monitor and report to Clients the trends and achieved benefits realized as a result of standardization and to thereby facilitate the active promotion of the adoption of standards;

(k) to adopt a technology standard platform which will assist the leveraging of the Services to the Broader Public Sector in accordance with the terms of this Agreement;

(l) to facilitate the acceleration of onboarding of Client Ministries and the extension of the Services to the Broader Public Sector using joint marketing plans and effective execution thereof, in accordance with the provisions contemplating the same under this Agreement;

(m) providing fair treatment and expanded career opportunities for the Transferred Employees on a long-term basis;

(n) to provide IBM with a referenceable customer that builds on IBM's excellent service delivery reputation; and

(o) to provide IBM with a fair and reasonable return over the term of the Agreement.

The Parties acknowledge and agree that the above noted objectives are not, as such, intended to create legal obligations for the Parties, but instead, are intended to document the mutual primary objectives of the Parties in entering into this Agreement. The specific provisions of this Agreement are to be interpreted according to their plain meaning, provided that, where there is uncertainty concerning the meaning of any specific provision, such provision is to be interpreted in light of such primary objectives.

1.14 Co-operation of the Parties.

Each party shall cooperate with the other, in good faith, in the performance of its obligations under this Agreement. In connection therewith, each Party shall make available, as reasonably requested by the other Party, such management decisions, information, approvals and acceptances such that the provision of the Services under this Agreement may be accomplished in a proper, timely and efficient manner and in accordance with the processes and procedures set forth in this Agreement. Unless specifically provided otherwise in this Agreement, where agreement, approval, acceptance or consent of either Party is required by any provision of this Agreement, such action shall not be unreasonably withheld or delayed.

1.15 General Scope.

The scope of the Services for the Term of this Agreement is as follows:

(a) the Services described as being in-scope for this Agreement in the provisions of **Schedule B** *(Services)* (which shall include, for greater certainty, **Schedule B1 - B21**); and

(b) the in-scope services as described in the JSRFP, subject to the implementation of such services as Project Services or in accordance with the Change Order Process.

ARTICLE 2 - AGREEMENT TERM AND RENEWAL

2.1 Initial Term.

The Initial Term of this Agreement shall commence on the date of this Agreement and shall continue until the earlier of:

(a) the date upon which this Agreement is terminated in accordance with the provisions of this Agreement; or

(b) March 31, 2015.

2.2 No Renewal Assurances.

The Province is giving no assurances whatsoever to IBM, expressed or implied, that this Agreement shall be renewed or extended beyond the expiry of the Initial Term. IBM has arranged its business affairs on the assumption that this Agreement shall terminate at the end of the Initial Term.

2.3 No Expropriation.

Any termination of this Agreement in accordance with its terms, either at the expiry of the Initial Term or as otherwise provided in this Agreement, shall not constitute an expropriation by the Province or be tantamount to an expropriation by the Province at domestic or international law (including, but not limited to the *North American Free Trade Agreement*), and shall not constitute grounds for asserting any claim of expropriation or similar claims under any international agreement or domestic law implementing an international agreement (including, but not limited to, Chapter Eleven of the *North American Free Trade Agreement* and the *General Agreement on Trade in Services*). For greater clarification, the foregoing provision shall not prevent IBM from bringing forth a Dispute on the basis that a termination of this Agreement by the Province constitutes a termination for convenience to which the provisions of Section 18.6 (*Termination by Province for Convenience*) apply, as opposed to a termination for cause to which the provisions of Sections 18.1 (*Events of Termination*) and 18.3 (*Termination for Chronic Failure*) apply, or any other claim under domestic law with respect to termination, other than a claim for expropriation, and any such Dispute shall be determined in accordance with its merits having regard to the surrounding circumstances and the provisions of Article 18 (*Default and Termination*).

2.4 Renewal Option.

The Province, at its sole option and acting in its discretion, may elect to renew the Initial Term of this Agreement for one (1) additional renewal term of two (2) years expiring on March 31, 2017 (the "**Renewal Term**"), by delivering written notice of such renewal to IBM in accordance with the provisions of Section 2.5 (*Renewal Notice*), but subject to the provisions of Section 2.6 (*Renewal Negotiations*). No such renewal of the Initial Term shall prevent either Party from exercising its rights to terminate this Agreement in accordance with the terms of Article 18 (*Default and Termination*).

2.5 Renewal Notice.

Where the Province intends to renew the Initial Term, it shall provide IBM with prior written notice of its intent to renew the Initial Term not less than twenty-four (24) months' prior to the expiry of the Initial Term, being on or before March 31, 2013. If the Province does not deliver such notice to IBM on or before March 31, 2013, then the Province shall be deemed to have elected not to renew the Initial Term of this Agreement.

2.6 Renewal Negotiations.

The terms and conditions of this Agreement shall apply during the Renewal Term except for the following, which may be subject to renegotiation and agreement by the parties:

(a) the provisions of Section 12.1 (*Charges*) and **Schedule F** (*Charges*) relating to the Charges to be paid to IBM for the Services performed during the Renewal Term;

(b) the provisions of Section 6.1 (*General Compliance*) and **Schedule D** (*Service Levels*) relating to the Service Levels for the Services performed during the Renewal Term; and

(c) such provisions of this Agreement and any Schedules attached to this Agreement which may require consequential amendments as a result of the foregoing.

If the Parties successfully conclude an agreement upon the foregoing, then they shall execute a renewal agreement (the "**Renewal Agreement**") on or before March 31, 2014 setting forth the renegotiated terms that shall apply to the Renewal Term, which terms shall be effective from and after April 1, 2015, being the first calendar day following the expiry of the Term. If the Parties fail to agree upon the foregoing terms on or before the earlier of March 31, 2014 (or such other date as may be agreed to in writing by the Parties), then there shall be deemed to be no Renewal Term, and subject to Sections 2.7 to 2.9, the Term shall expire at the end of the Initial Term or earlier in accordance with the terms of this Agreement.

2.7 One Year Extension.

The Province, at its sole option and acting in its discretion, may elect to extend the Initial Term (unless the Parties have entered into a Renewal Agreement, in which case, the Province may elect to extend the Renewal Term), for one (1) additional period of up to twelve (12) months (the "**Extension**"), by delivering written notice of such extension, including the period of such extension, to IBM in accordance with the provisions of Section 2.8 (*Extension Notice*). The Parties acknowledge that the purpose for granting the Province the option to extend the Initial Term, or the Renewal Term, as the case may be, is to allow the Province to conclude any procurement or other process that it may undertake in connection with the selection of a new service provider for the Services or the repatriation of the Services by the Province.

2.8 Extension Notice.

Where the Province intends to extend the Initial Term (or the Renewal Term, as the case may be), it shall provide IBM with prior written notice of its election to extend not less than six (6) months' prior to the expiry of the following (as applicable):

(a) the Initial Term, being on or before September 30, 2014; or

(b) the Renewal Term, being on or before September 30, 2016;

If the Province does not deliver such notice to IBM within the time required, then the Province shall be deemed to have elected not to extend the Initial Term or the Renewal Term, as the case may be.

2.9 Extension Terms.

Unless otherwise agreed to in writing by the Parties, the terms and conditions in effect as at the end of the Initial Term or the Renewal Term, as the case may be, of this Agreement, as may be changed, modified, amended or supplemented, shall apply during such Extension.

2.10 Termination Assistance.

Following the expiry or earlier termination of this Agreement, IBM shall provide the Termination Services to the Province in accordance with Article 19 (*Termination Services*).

2.11 Effect of Termination.

The expiry or earlier termination of this Agreement shall cause, and shall be deemed to cause, the expiry or earlier termination of all Transaction Documents as of the same date, except for those provisions herein (as set forth in Section 32.11 (*Survival*)) and therein which are stated to survive termination.

ARTICLE 3 – TRANSITION

3.1 Transition Overview.

Following the execution of this Agreement, the Parties shall use all reasonable efforts to complete their respective activities set forth in the Transition Plan with diligence and within the times required in respect thereof as set forth in the Transition Plan, and shall do such other acts as may be reasonably necessary to enable IBM to complete each stage of the Transition Plan. IBM shall provide the Province with such services that are reasonably necessary to complete the Transition Plan in a manner that shall, to the greatest extent possible minimize the disruption to the business operations of the Province. For clarity, the Parties acknowledge that the Transition Plan comprises four (4) stages as follows: Stage 1 – Employee/HR Transition; Stage 2 – Interim Services Period; Stage 3 – Process and Tools Implementation; and Stage 4 – Workstation Refresh. The activities carried out and the Services provided by IBM to the Province in Stage 2 through Stage 4 transition will occur, in part, concurrently, provided that the Interim Services Period shall expire upon IBM's completion of the Stage 3 activities.

3.2 Modifications to Transition Plan.

Notwithstanding the level of detail contained in the Transition Plan, the Parties acknowledge that the Transition Plan may require modification after the execution of this Agreement. The Parties shall work cooperatively together through the Governance Process during the Transition Period and shall make such modifications to the Transition Plan as may be mutually agreed between them. Any such modifications shall be incorporated into the Transition Plan, and the Transition Plan shall be deemed to be amended accordingly; provided that any changes to the Commencement Date shall require the joint approval of the Parties at the Joint Executive Steering Committee level through the Governance Process.

3.3 Transition Requirements.

The transfer of the provision and performance of the Services from the Province to IBM shall be subject to the satisfaction or waiver by both Parties of each of the transition requirements set forth below ("**Transition Requirements**") on or before the Commencement Date:

(a) each of the Transaction Documents shall have been executed by each of the parties to such agreements and delivered to both Parties, and each Party shall be satisfied with the form and substance of such Transaction Documents;

(b) evidence shall be delivered by IBM to the Province demonstrating to the satisfaction of the Province that:

(i) ISM has entered into a Memorandum of Agreement with the BCGEU which will result in a collective bargaining agreement effective as of the Commencement Date; and

(ii) ISM has been approved as a participating member in the Public Service Pension Plan;

(c) all personnel who are initially assigned to IBM Key Positions, as set forth in **Schedule M** (*Key Positions*), are employees of IBM or ISM, as the case may be, and have been so appointed to such positions;

(d) all transactions contemplated in the other Transaction Documents to be completed on or before the Commencement Date shall have been completed in a manner satisfactory to both Parties or both Parties are satisfied that such transactions shall be completed on the Commencement Date;

(e) there has not been a material adverse change to the business or assets of IBM or ISM in the period from the Effective Date to the Commencement Date; and

(f) since the Effective Date, the Province shall not have enacted, issued or approved any statute, regulation, bylaw, policy, directive, executive direction, Treasury Board decision (by means of directives, regulations or otherwise) rules or guidelines or announced any proposed implementation of the same that will materially and adversely affect:

(i) the Services; or

(ii) the ability of IBM to provide the Services.

3.4 Stage 1 Transition.

IBM shall take such steps as may be reasonably necessary to complete the Stage 1 transition requirements set forth in the HR Transition Plan and each Party shall perform its respective employee-related obligations as set out in the Master Transfer Agreement.

3.5 Failure to Complete Stage 1 Transition Plan.

If the Transition Requirements have not been satisfied or waived by the appropriate Party, on or before the Commencement Date, then the Parties shall mutually agree to, either:

(a) *Postponement* – postpone the Commencement Date to such reasonable later date as the Parties may mutually agree, which postponed Commencement Date shall be prior to March 31, 2005 (the "**2nd Commencement Date**"), in which event:

(i) the Parties shall use reasonable efforts to complete the Stage 1 Transition Plan in accordance with its terms, applied *mutatis mutandis*, on or before such postponed Commencement Date, and

(ii) if the Stage 1 Transition Plan is not completed by such postponed Commencement Date (as may be extended in accordance herewith up to and no later than the 2nd Commencement Date), then either Party may give written notice of termination of this Agreement to the other Party in which event the provisions of Section 18.8(e) (*Termination Fees*) shall apply, or

(b) *Partial Commencement* – if the Stage 1 Transition Plan is substantially complete and it is reasonably practicable to do so, the Parties may agree to commence all available Services on the Commencement Date (the "**Partial Commencement**"), and to use all reasonable efforts to complete the outstanding obligations under the Stage 1 Transition Plan in accordance with its terms, applied *mutatis mutandis*, after the Commencement Date and

as soon as reasonably practicable (but in any event on or before the 2nd Commencement Date), in which event the Parties shall adjust the Charges for the Services having regard to the portion of such Services which have not been commenced *provided* that, if the Parties, acting reasonably, are unable to mutually agree upon all of the terms of the Partial Commencement of the Services as set forth above within five (5) Business Days after the earlier of the Commencement Date or written notice of delay having been received by a Party, then the Parties shall be deemed to have selected a postponement of the Commencement Date, in which case the provisions of Subsection 3.5(a) (*Postponement*) shall apply.

3.6 Stage 2 Transition.

Upon the Commencement Date, IBM shall provide the Province with the interim services ("**Interim Services**") in accordance with the Interim Services Plan and shall use reasonable efforts to meet the Interim Service Levels. The Interim Service Levels shall be phased in, in accordance with **Schedule D** (*Service Levels*). In performing the Interim Services, IBM shall use reasonable efforts to ensure, to the greatest extent possible, the continued, uninterrupted and efficient delivery of the Services and that shall minimize the disruption to the business operations of the Province.

3.7 Province License for Space.

The Province shall provide IBM with use of the Swing Space and the Swing Space Services, as more particularly described in an agreement between the Parties of even date (the "**License Agreement**"), for purposes of housing the Transferred Employees and certain additional personnel of IBM, or its Subcontractors, required in connection with the Services. IBM shall comply, and shall cause its Subcontractors to comply, with the provisions of Section 5.3 (*Service Location Policies*) in respect of its use, and that of its Subcontractors, of the Swing Space. IBM shall vacate the Victoria Swing Space within six (6) months after the Commencement Date (the "**Permanent Move Date**"). IBM shall pay the Province for its use of the Swing Space and the Swing Space Services in the amounts and at the times set forth in the License Agreement. Unless the Parties agree otherwise in writing, IBM acknowledges and confirms that it shall not be permitted or otherwise entitled to any holding over in the Victoria Swing Space past the Permanent Move Date. Accordingly, if IBM is unable, for any reason, to move into the IBM Facilities on or before the Permanent Move Date, then it shall vacate the Victoria Swing Space by such date, and shall relocate all such personnel to other temporary space until such time as the IBM Facilities are available, all at the sole cost and expense of IBM. In any event, upon vacating the Swing Space, IBM shall leave the Swing Space in the same condition as it was in immediately prior to the Commencement Date, normal wear and tear excepted.

3.8 Transition Costs.

The Parties acknowledge that the Base Fees set forth in **Schedule F** (*Charges*), includes all of the costs incurred by IBM (or its Subcontractors) for completing the Transition Plan, including all direct and indirect costs incurred in connection with the implementation of the Transition Plan, and the overall management of the Transition Plan, but excluding therefrom those costs identified in the Master Transfer Agreement as being the responsibility of the Province.

3.9 In-Flight Projects.

The Parties acknowledge that there are certain In-Flight Projects existing as of the date of this Agreement in respect of which there may be work which will not be completed by the Commencement Date and which will constitute ongoing projects as of such date, as more particularly described in **Schedule B2** (*In-*

Flight Project Services). The Parties shall handle the In-Flight Projects in accordance with the following principles:

(a) the Province shall have financial and operational responsibility for the In-Flight Projects prior to the Commencement Date; and

(b) from and after the Commencement Date:

(i) IBM shall assume operational responsibility for the In-Flight Projects that have not been completed by the Commencement Date which are designated in **Schedule B2** (*In-Flight Project Services*) as being IBM In-Flight Projects, to be completed by IBM in accordance with the applicable In-Flight Projects Plan for such In-Flight Project, and

(ii) the Province shall maintain financial responsibility in respect of such In-Flight Projects and shall pay for services performed by IBM in connection with such In-Flight Projects as specified in the applicable In-Flight Project Plan which shall, for greater certainty, specify whether the services set forth in the applicable In-Flight Project Plan are chargeable at a fixed price or on a time and materials basis and the amount therefore; and

(c) In-Flight Projects shall otherwise be managed as set forth in the In-Flight Projects Plan.

For greater certainty, the Province may, in its sole discretion, determine that it is in the best interest of the applicable Client that all or certain in-flight projects in respect of such Client should be completed by the Province without involvement of IBM, in which event such in-flight projects shall be excluded from the In-Flight Projects Plan. All such matters and changes with respect to In-Flight Projects shall in each case be recorded in the In-Flight Projects Plan.

3.10 Transition Plan.

IBM shall deliver a draft of the Transition Plan to the Province on or before the Commencement Date. IBM and the Province shall mutually approve the Transition Plan within ten (10) Business Days after the Commencement Date. The Transition Plan shall form the basis for IBM and its Subcontractors and the Province to develop the detailed transition project plan that will be completed and approved by the Parties within thirty (30) Business Days after Commencement Date.

ARTICLE 4 - SERVICES

4.1 Overview of Services.

Subject to a partial commencement of the Services pursuant to Article 3 (*Transition*) and to the transformation of the Services during the Term in accordance with the provisions of this Agreement, IBM shall provide to the Province, and the Province shall obtain from IBM, the following Services from and after the Commencement Date, upon the terms and conditions set forth in this Agreement:

(a) the Transition Services, as more particularly described in **Schedule Z** (*Transition*);

(b) the Services, as more particularly described in **Schedules B1 – B21** (*Services*);

(c) the Termination Services, as more particularly described in Article 19 (*Termination Services*); and

(d) such other services or additional services as may be agreed to by the Parties pursuant to the Change Order Process under Article 17 (*Change Management*).

4.2 Included or Inherent Services.

The Parties acknowledge that there are functions or tasks not specifically listed or described in this Agreement that are customarily required for the proper performance and provision of the Services, or as may otherwise be required to perform the Services in a manner consistent with the performance thereof by the Province in the twelve (12) month period prior to the Commencement Date (as the same may be improved, changed or transformed as contemplated under this Agreement). Without limiting the foregoing and subject to the provisions of this Section 4.2 (*Included or Inherent Services*), such functions or tasks shall be deemed to be implied or included in the scope of the services to the same extent and in the same manner as if those functions or tasks had been specifically described in this Agreement. Notwithstanding the foregoing, this Section 4.2 (*Included or Inherent Services*) is not intended to expand the scope of the services beyond the Services described in this Agreement, or to require a higher standard of service delivery than that which is otherwise described in this Agreement.

4.3 Services Changes.

All changes, modifications, amendments or supplements to the Services provided under this Agreement shall be undertaken in accordance with the Operational Change Management Process or the Change Order Process described in Article 17 (*Change Management*).

4.4 Continuous Improvement Recommendations.

As part of the Services IBM shall, from time to time as it may deem to be appropriate but not less frequently than annually, make recommendations to the Province for improvements to the Services based upon known changes and trends of which IBM has knowledge (after making due enquiry) in the field of workstation support services and relevant available new technologies. Recommendations made by IBM under this Section may be approved by the Province in accordance with the Governance Process and implemented in accordance with the Change Order Process. Upon the completion of the Change Order Process, the descriptions of the Services as set forth in this Agreement, or in documents referenced in this Agreement, shall be deemed to be amended accordingly.

4.5 Quality Management.

In providing the Services to the Province during the Term, IBM shall:

(a) be responsible for implementing programs, practices and methodologies for ongoing quality management and improvement for the Services; and

(b) monitor quality management progress through Service Level reporting.

4.6 Documentation and Ongoing Knowledge Exchange.

IBM shall maintain documentation relevant to the delivery of the Services, such documentation to be in the form of the Process Interface Manual, as updated by IBM from time to time in accordance with **Schedule B-14** (*Common Services*). The Process Interface Manual is intended to enable the Province to

understand the technical, operational and business components of the Services. In addition, ongoing knowledge exchange between the Parties shall be accomplished through the joint periodic review and update of the Process Interface Manual and through ongoing regularly scheduled joint operations and reporting forums, in the form of meetings and other communications between the Parties. The provisions set forth in this Section 4.6 (*Documentation and Ongoing Knowledge Exchange*) are intended to describe to the Province how the Province and IBM will interact during the delivery of the Services over the Term. Nothing in this Section 4.6 (*Documentation and Ongoing Knowledge Exchange*) shall be interpreted so as to relieve either Party of any of its performance obligations under this Agreement. The Parties acknowledge that at no time will the documentation set forth in this Section 4.6 (*Documentation and Ongoing Knowledge Exchange*) include IBM Confidential Information or IBM proprietary information.

4.7 Province Retained Responsibilities.

During the Term, the Province shall remain responsible for and shall retain control of:

(a) the obligations of the Province set forth in any Schedules to this Agreement;

(b) setting of all Province policies and guidelines including, without limitation, relating to the Services, records management, and privacy and security;

(c) relations with Clients, Ministries and Broader Public Sector;

(d) any agreements between the Province and Client Ministries relating to the Services;

(e) approval of the announcements, public notices and other publicity materials relating to this Agreement or the transactions contemplated by this Agreement in which the Province's name or Province Marks are maintained in accordance with Section 32.19 (*Publicity*);

(f) the exercise of powers for and on behalf of Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of the Management Services; and

(g) such other direct responsibilities as may be expressly contemplated in this Agreement.

The Parties acknowledge that these responsibilities are vested solely in the Province. IBM has no right nor obligation in respect of any responsibilities of the Province set forth in this Section 4.7 (*Province Retained Responsibilities*) and shall not be accountable for any actions taken by the Province in respect of the same.

ARTICLE 5 - SERVICE AND DATA LOCATIONS

5.1 Overview of Service Locations.

No Services shall be provided or performed by IBM at any location outside of Canada. The on-site Services provided by IBM or its Subcontractors to the Clients or Ministries shall at all times be provided by IBM to such Clients in British Columbia.

5.2 Relocation of IBM Service Locations.

Subject to the requirements of Sections 5.1 (*Overview of Service Locations*), IBM may relocate the IBM Facilities at any time upon prior written notice thereof to the Province, provided that the relocation of the IBM Facilities outside of British Columbia shall be subject to the prior written approval of the Province.

5.3 Service Location Policies.

At all times while accessing any premises of the other Party (including any Subcontractors of that other Party) in connection with the Services being performed under this Agreement, or as may otherwise be contemplated under this Agreement, each Party shall, and shall cause their respective Personnel, Subcontractors, representatives or other parties for whom they are responsible at law or under the terms of this Agreement, to comply with any standard workplace security, safety, operational and other similar policies and procedures applicable to visitors for such Party, as may be provided, in writing by each Party to the other from time to time. For clarity, the foregoing shall not limit or otherwise prohibit the Province or its representatives from accessing information that is properly within the scope of an audit, investigation or inspection under Article 15 (*Maintenance of Records and Audit Rights*) when the Province or its representatives require access to the same for purposes of conducting an audit, inspection or investigation under Article 15 (*Maintenance of Records and Audit Rights*), provided that the Province or its representatives comply with IBM's standard policies and procedures referred to above.

5.4 Access to Province Locations.

During the Term, the Province shall provide IBM with access to Province Facilities and service locations as may be required by IBM for purposes of performing the Services, including, for purposes of performing the desk-side support services for Province employees and/or Clients.

ARTICLE 6 - SERVICE LEVELS

6.1 General Compliance.

IBM acknowledges that the establishment of the Service Levels is a matter of fundamental importance to the Province. The Parties acknowledge and agree that:

(a) the Service Levels are comprised of the:

(i) specific Service Level Requirements set forth in Section 3.0 of **Schedule D** (*Service Levels*); and

(ii) Service Level Objectives (being performance measures and indicators) as set forth in Section 3.0 of **Schedule D** (*Service Levels*);

(b) from and after the Interim Service Level Period, IBM shall use all reasonable efforts to perform the Services to a standard and level of performance which is required to meet or exceed the relevant Service Level Requirements and the Service Level Objectives for the Services, unless otherwise mutually agreed in writing by the Parties;

(c) the Service Levels set out in this Agreement, as may be amended from time to time through the Change Order Process in accordance with this Agreement, are intended to be baseline performance standards and levels for the delivery and performance of the Services;

(d) during the Term, IBM shall use reasonable commercial efforts to identify actions and opportunities to improve or increase the Achieved Service Levels, on an ongoing basis, including monitoring and evaluating changes and trends in the industry and monitoring and evaluating new and available technologies and service delivery processes and strategies that are applicable to the Services;

(e) during the Term, IBM shall use reasonable commercial efforts to improve the Achieved Service Levels, on an ongoing basis, in a manner consistent with the terms and intent of this Agreement, acting reasonably and taking into account the cost as compared to the benefit of such improvements; and

(f) any improvements in Achieved Services Levels or performance standards and levels achieved by IBM, whether or not as part of any progressive improvement requirements contemplated in this Agreement, will not result in an increase in the Charges payable under this Agreement unless otherwise agreed to by the Province in writing.

6.2 Interim Service Level Targets.

Effective as of the Commencement Date and for a period of twenty-four (24) months after the Commencement Date (the "**Interim Service Level Period**"), IBM shall use reasonable efforts to perform the Services at or above the performance standard and level of the Interim Service Level Targets as set forth in **Schedule D** (*Service Levels*). IBM shall measure its Service Level performance during the Interim Service Level Period for monitoring purposes using the Province's measuring and monitoring tools and processes in effect as of the Commencement Date until the IBM service level measuring and monitoring tools have been implemented and are operational, which shall be no later than twenty-four (24) months after the Commencement Date. For greater clarity, the Parties acknowledge and agree that if IBM fails to meet any one or more Service Level Requirements, Service Level Objectives or Interim Service Level Targets during the Interim Service Level Period, the Province shall not be entitled to Service Level Credits or to terminate the Agreement for Chronic Failure.

6.3 Monitoring.

From and after the Interim Service Level Period, IBM shall establish and maintain in place, at all times, the tools and processes necessary to monitor and evaluate the achievement of the Service Levels on a monthly basis, in order to permit IBM to satisfy its reporting obligations under **Schedule S** (*Reporting*) to this Agreement. The Province acknowledges that, as of the Effective Date, the reporting obligations under **Schedule S** (*Reporting*) to this Agreement are sufficient to allow it to:

(a) evaluate Achieved Service Levels;

(b) satisfy its reporting obligations;

(c) respond to enquires from the Client Ministries or the Province customers in respect of IBM's performance of the Services; and

(d) confirm and verify Achieved Service Levels in respect of any Service Level from time to time upon reasonable notice.

6.4 Reports of Achieved Service Levels.

Without limiting the application of Section 6.3 *(Monitoring),* beginning no later than the second month after completion of the Interim Service Level Period and monthly thereafter, IBM shall prepare and deliver to the Province standard reports summarizing IBM's performance during the previous month against the Service Level Requirements and the Service Level Objectives, in such form and content as set out in **Schedule S** (*Reporting*), or such other form and content as the Parties may agree through the Governance Process, and shall make such reports available to the Province by the tenth (10) Business Day after the end of each month or as otherwise agreed by the Parties through the Governance Process.

6.5 Reports of Service Level Failures.

The Reports referred to in Section 6.4 (*Reports of Achieved Service Levels*) above shall identify each failure to meet a Service Level of which IBM is aware in respect of the provision of a Service. IBM shall provide reasonable detail as to such failure in order to allow the Parties to evaluate the remedies available as a result of such failure, and for the Province to communicate with or respond to the applicable Client Ministry in respect of such failure, to cooperate to rectify and remediate the cause of such failure, and to prevent similar failures in the future. Such reports shall include a description of the measures taken or planned to be taken by IBM to rectify and remedy each failure to meet a Service Level (including the timelines in which such measures were or will be taken).

6.6 Problem Alert and Escalation Procedures.

From and after the Commencement Date, IBM shall develop, implement, maintain and comply with problem alert, escalation, and management procedures mutually agreed upon by the Parties from time to time (acting reasonably) through the Governance Process and having consideration for the provisions of **Schedule B14** (*Common Services*) (the "**Problem Alert and Escalation Procedures**"). In the event that IBM becomes aware of any event, occurrence, error, deficiency, defect, interruption, malfunction or other similar matter with respect to the Services, or any other or service provided by a Subcontractor or any other Person which is related to or otherwise impacts the Services, and which IBM reasonably believes could have a material adverse effect on the delivery of the Services (a "**Problem**"), then IBM shall promptly notify the Province through the Joint Program Office of such Problem.

6.7 Problem Management and Root Cause Analysis.

In the event of a Problem, IBM shall treat the Problem as a priority, shall work diligently to avert or minimize any adverse effect that the Problem may have on the performance of the Services at the Service Levels. Upon the occurrence of any Problem, IBM shall perform a root cause analysis in respect thereof as soon as practicable, for purposes of identifying the cause of such Problem, and in order to assist IBM in developing and implementing a proposal for correcting the Problem and implementing improved processes to detect and avoid similar Problems in the future. IBM will correct Problems and shall use all reasonable efforts to minimize reoccurrence of Problems for which IBM is responsible. The Province agrees to correct and use all reasonable efforts to minimize problems for which the Province is responsible and that prevent IBM from meeting the Service Levels.

6.8 Service Level Classifications.

All Service Level Requirements shall be designated as Level A, B or C. As of the Effective Date, the Performance Measure for each Service Level Requirement is set forth in **Schedule D** (*Service Levels*). IBM acknowledges that the Province shall propose appropriate Service Level designations for any new Service Level Requirements added at any time during the Term which shall be reviewed by the Parties

through the Joint Program Office and implemented in accordance with the Change Order Process. The Joint Program Office shall also determine, and may from time to time modify if appropriate, the mechanism for determining the designation that should be given to a new Service Level Requirement.

6.9 Chronic Failure.

A "**Chronic Failure**" shall be deemed to occur in any of the following circumstances:

(a) Level A Service Level Failure: failure of the same Level A Service Level Requirement for three (3) consecutive months or failure of the same Level A Service Level Requirement that occurs four (4) or more times in any twelve (12) month period;

(b) Level B Service Level Failure: failure of the same Level B Service Level Requirement for four (4) consecutive months or failure of the same Level B Service Level Requirement that occurs five (5) or more times in any twelve (12) month period; or

(c) Level C Service Level Failure: failure of the same Level C Service Level Requirement for six (6) consecutive months or failure of the same Level C Service Level Requirement that occurs seven (7) or more times in any twelve (12) month period.

In the event of a Chronic Failure under this Section 6.9 (*Chronic Failure*) the Province shall have the right, in its discretion, to terminate the Agreement without liability for any payment to IBM or its Subcontractors, relating to, in connection with or arising out of the Province's termination of this Agreement for Chronic Failure, other than payment for Termination Services as set out in Article 19 (*Termination Services*). For certainty, the foregoing right of termination shall be the Province's sole and exclusive remedy for Chronic Failure.

6.10 Remediation Plan.

IBM agrees that in addition to the obligations otherwise set forth in this Article 6 (*Service Levels*) it shall promptly prepare a remediation plan (the "**Remediation Plan**") and deliver the same to the Province in any of the following circumstances:

(a) Level A Service Levels: a failure of a Level A Service Level Requirement occurs;

(b) Level B Service Levels: failure of the same Level B Service Level Requirement for two (2) consecutive months or failure of the same Level B Service Level Requirement that occurs three (3) or more times in any twelve (12) months period; or

(c) Level C Service Levels: failure of the same Level C Service Level Requirement for three (3) consecutive months or failure of the same Level C Service Level Requirement that occurs four (4) or more times in any twelve (12) month period.

6.11 Service Level Credits.

IBM acknowledges that should it fail to achieve a Service Level Requirement, the Province may be damaged by such failure. Because the precise amount of such damages, if any, would be difficult, in most cases, to ascertain, IBM agrees that in the event of such failure the Province will, in lieu of all other remedies available to the Province, receive a service level credit ("**Service Level Credit**") against any amounts owing to IBM under this Agreement, as its sole and exclusive remedy with respect to the failure for which the Service Level Credits are payable, in accordance with this Section as follows:

(a) IBM's failure to meet any Service Level Requirements shall not entitle the Province to any Service Level Credits unless such failure occurs after the Interim Service Level Period;

(b) for clarity, Service Level Credits may only be earned in the event of a failure by IBM to meet a Service Level Requirement not a Service Level Objective;

(c) the monthly maximum Service Level Credits to which the Province shall be entitled shall not exceed five percent (5%) of the Base Monthly Fees (the "**At Risk Amount**") for the month in which such Service Level Requirement failure occurred;

(d) the Province has attached weightings to the Service Level Requirements. The Parties may mutually agree to redistribute the weightings attached to the Service Level Requirements, provided that the aggregate weightings may not exceed two hundred and thirty percentage (230%) points;

(e) if IBM fails to meet any Service Level Requirement in any given month, then subject to paragraphs 6.11(g) and 6.11(h) of this Section, the Province shall earn a Service Level Credit in respect of such missed Service Level Requirement equal to the product of:

(i) the weighting attached to the missed Service Level Requirement, and

(ii) the At Risk Amount.

If IBM fails to meet more than one Service Level Requirement in a given month, the Province shall earn the sum of the number of Service Level Credits corresponding to the number of failed Service Level Requirements, provided that the Province may not earn more than the At Risk Amount in Service Level Credits in any month;

(f) IBM shall be entitled to earn credits for each Service Level Requirement where IBM meets or exceeds that same Service Level Requirement in a period of six (6) consecutive months ("**Banked Credits**" and each a "**Banked Credit**"), to be applied by IBM to offset Service Level Credits for that same Service Level Requirement as set out in Subsection (g) of this Section. Banked Credits shall be earned as follows:

(i) if IBM meets or exceeds the same Service Level Requirement for any six consecutive months (the "**Banked Credit Period**") IBM shall earn one IBM Service Level Credit for that Service Level Requirement;

(ii) calculation of the Banked Credit Period shall begin for each Service Level Requirement in the eighteenth month after the Commencement Date;

(iii) upon meeting or exceeding the same Service Level Requirement for six (6) consecutive months and earning a Banked Credit for that Service Level Requirement, calculation of the Banked Credit Period shall begin again;

(iv) in the event IBM should fail to meet a Service Level Requirement in any month, calculation of the Banked Credit Period for that Service Level Requirement shall begin again;

(v) IBM may accumulate up to a maximum of three (3) Banked Credits for each Service Level Requirement at any given time. Upon accumulating three (3) Banked Credits for any Service Level Requirement, IBM shall not earn any further Banked Credits for that Service Level Requirement until such time as one or more of accumulated Banked Credits is utilized. IBM may thereupon earn further Banked Credits, up to the maximum of three (3), as set out in Subsection (i) above.

(g) if IBM fails to meet any Service Level Requirement in any given month entitling the Province to a Service Level Credit, then IBM may apply a Banked Credit for the same Service Level Requirement, if any, against such Service Level Credit, in accordance with paragraph (h) below;

(h) if IBM has accumulated Banked Credits for a particular Service Level Requirement, then notwithstanding that the Province has earned a Service Level Credit in respect of such Service Level Requirement in any given month, IBM shall be released from the obligation to pay the Service Level Credit by setting off a Banked Credit against a Service Level Credit for such Service Requirement; provided that IBM shall not be entitled to apply a Banked Credit against a Service Level Credit, for any one Service Level Requirement, in two (2) consecutive months;

(i) upon the occurrence of a single problem that causes a failure in multiple Service Level Requirements, the Province may only earn one (1) Service Level Credit in respect of one (and not all) of such affected Service Level Requirements, which Service Level Credit shall be selected and by the Province in its sole discretion; and

(j) within thirty (30) days after the end of each month, the Parties shall make all necessary adjustments to the Service Level Credits as contemplated in Subsection 6.11(h) (*Service Level Credits*) above, and any Service Level Credits remaining after such adjustment shall be set-off against Charges in accordance with Section 12.6 (*Rectification and Set-Off*).

Notwithstanding the foregoing, and for greater certainty, IBM shall use all reasonable efforts to meet all Service Levels, whether or not such Service Levels constitute a Service Level Requirement to which Service Level Credits apply.

6.12 Relief.

IBM will be relieved of responsibility for meeting any Service Levels and for any associated Service Level Credits or other remedies:

(a) to the extent affected by problems caused by the actions or inaction of the Province or the Client Ministries, third-party vendors (excluding the Subcontractors) and suppliers, the Province's prioritization of available resources or refusal to implement a Change Order necessary to meet Service Levels, or circumstances that constitute a Force Majeure Event.

(b) where, in any month, the relevant Baseline has been exceeded in such month, provided that, if the Parties agree that a Baseline has been exceeded as a result of an extraordinary event, the period of time affected by the extraordinary event shall be excluded from the calculation of such Service Level Attainment.

6.13 Joint Review of Service Levels.

The Parties acknowledge that the Service Levels are intended to be comprehensive, however, it is the intention of the Parties that during the Term the Parties may agree to different or additional Service Levels in respect of any of the Services. Accordingly, on an annual basis during the Term, and pursuant to the Governance Process, the Parties shall jointly review:

(a) the then-current Service Levels;

(b) generally available information indicating industry-wide improvements in delivery of substantially similar services (including any available service level information in the Benchmarker's report commissioned in accordance with Article 9 (*Benchmarking*); and

(c) improved performance capabilities, including those associated with advances in technology and methods used to provide the Services.

On the basis of such review, the Parties shall discuss and agree upon whether any of the Service Levels shall be adjusted. In determining whether an adjustment under this Section 6.13 (*Joint Review of Service Levels*) is warranted, the Parties shall take into consideration the relationship between the existing Service Level Requirements and the remedies for failure to obtain such Service Level Requirements as set forth in this Agreement as of the Effective Date. Any such adjustment shall be subject to the mutual agreement of the Parties in accordance with the Governance Process and as documented by a Change Order.

6.14 Customer Satisfaction.

IBM shall cooperate with the Province to obtain information concerning the levels of client satisfaction with the Services, including the following:

(a) assisting the Province to survey Ministries as to their level of satisfaction with the performance of the Services; and

(b) tracking customer complaints received through the Weekly Electronic Survey as described in **Schedule D** (*Service Levels*), as well as assisting the Province with the response to and handling of such complaints.

Customer satisfaction surveys shall be conducted annually, unless the Parties mutually agree otherwise in writing. The results of any customer satisfaction surveys shall be reviewed by the Parties through the Joint Program Office. If the results of the survey indicate a decrease in the level of customer satisfaction, then within two (2) months of receipt of the survey results, IBM shall design and propose a remedial plan (in consultation with the Province through the Governance Process) to increase customer satisfaction of the applicable Ministries. IBM shall implement the same in accordance with the Change Order Process.

ARTICLE 7 - BUSINESS CONTINUITY AND RECOVERY

7.1 Acknowledgement.

For purposes of this Article 7 (*Business Continuity and Recovery*), the Province and IBM recognize the importance of recovering Services as quickly as reasonably possible in the event of a service disruption. The Province has not provided IBM with a comprehensive plan for recovering the services in the event of a service disruption. During the period from and after the Commencement Date, in the event of a

disruption in the continuity of the Services, as a result of a disaster or otherwise, then IBM shall use commercially reasonable efforts to recover the Services.

7.2 Services Recovery Management.

In accordance with **Schedule X** (*Services Recovery*), IBM shall develop a services recovery plan and maintain such services recovery plan for the Services (the "**IBM Services Recovery Plan**"). Promptly upon completion, IBM shall provide a copy of IBM Services Recovery Plan to the Province for its review. If the Province identifies additional requirements for Services recovery planning over and above the standard IBM Services Recovery Plan, whether required for the Province generally or for a particular Client Ministry, they shall be identified through the Governance Process and, if agreed, implemented through the Change Order Process.

7.3 Roles and Responsibilities.

After completion of the IBM Services Recovery Plan, the roles and responsibilities of the Parties in respect of the business continuity planning for the Services shall be as follows:

(a) the roles and responsibilities of the Province are as follows:

(i) to lead the Client Ministry's business continuity and services recovery planning,

(ii) to provide Province services recovery standards and templates to IBM if and to the extent that the Province requires that IBM use or follow the same, which shall be implemented through the Change Order Process,

(iii) to provide business continuity planning for any services or functions retained by the Province relating to the Services,

(iv) to communicate with Client Ministries with respect to the integration and co-ordination of the Client Ministries' service recovery planning and the IBM Services Recovery Plan,

(v) to notify IBM in the event of the declaration of a Disaster that may require the resulting activation of the IBM Services Recovery Plan, and

(vi) to communicate requested changes to Recovery Time Objectives in respect of the IBM Services Recovery Plan, for consideration in consultation with IBM through the Governance Process as set out in Section 7.4 (*Recovery Time Objectives*); and

(b) the roles and responsibilities of IBM are as follows:

(i) to assess the requirements of the Ministry policy in accordance with **Schedule X** (*Services Recovery*), provided that any changes to Ministry policy shall be implemented in accordance with the Change Order Process,

(ii) to ensure that its Subcontractors are able to meet the requirements of the IBM Services Recovery Plan to the extent applicable to them,

(iii) to notify the Province (through the Joint Program Office) in the event of a Disaster and the resulting activation of the IBM Services Recovery Plan, and

(iv) to ensure the preparedness and ability of IBM to execute, the IBM Services Recovery Plan.

7.4 Recovery Time Objectives.

The Recovery Time Objectives for the IBM Services Recovery Plan for the Services shall be as set forth in Exhibit A to **Schedule X** (*Services Recovery*). In each Contract Year, the Parties shall review the Recovery Time Objectives for the IBM Services Recovery Plan, and may, subject to mutual agreement, revise the Recovery Time Objectives through the Change Order Process. Any revisions so agreed to shall thereafter be deemed to form part of the IBM Services Recovery Plan. Notwithstanding that the Parties have identified specific Recovery Time Objectives, IBM shall use reasonable commercial efforts to ensure that all Service interruptions are resolved as promptly as possible in the circumstances.

7.5 Testing of IBM Services Recovery Plan.

The testing of the IBM Services Recovery Plan shall be performed by IBM in accordance with the testing requirements set out in the IBM Services Recovery Plan, and, if and where the IBM Services Recovery Plan requires Province involvement, shall consist of process walkthrough and awareness training (as opposed to full production testing) with the Province. Such testing shall include the following (to the extent consistent with the foregoing and applicable to IBM:

(a) IBM shall complete a test of the IBM Services Recovery Plan within three (3) months following the completion of IBM Services Recovery Plan;

(b) IBM shall test the IBM Services Recovery Plan at least once in each Contract Year following the initial test described in paragraph (a) above;

(c) IBM shall complete a test of the IBM Services Recovery Plan within sixty (60) days of implementing any material change in respect of the Services (including any material change in the technology, processes, facilities, infrastructure or Recovery Time Objectives), for purposes of determining the impact of such material changes to the Services and the effectiveness of the IBM Services Recovery Plan in respect thereof;

(d) the Province shall have the right to participate in any testing of the IBM Services Recovery Plan as an observer in the testing process and to review any results of such testing; and

(e) IBM shall prepare and submit to the Province (through the Joint Program Office) within thirty (30) days of any testing conducted by IBM in respect of the IBM Services Recovery Plan, a report detailing the results of such testing and listing any deficiencies in respect thereof, together with IBM's proposed action plan and assigned responsibilities and timelines that shall be undertaken by IBM to address such deficiencies.

7.6 Business Continuity Representative.

IBM and the Province shall each designate a "Business Continuity Representative", to be responsible for the updating, testing and implementing of the IBM Services Recovery Plan, to act as the liaison between the Parties (through the Joint Program Office) to ensure the integration of the IBM Services Recovery Plan with the business continuity plans of the Province, and assume responsibility for the coordination of recovery services as contemplated under this Article 7 (*Business Continuity and Recovery*), from and after the Commencement Date.

7.7 Actual Disaster.

The determination as to whether a Disaster related to the Services has occurred shall be the sole determination of the Province. In the event of a Disaster:

(a) if either Party is prevented from, or delayed in, performing any of its obligations under the Agreement, then the Party claiming such disruption shall promptly notify the other Party thereof, and shall provide the other Party with a follow-up written notice within five (5) days of such Party becoming aware of the potential disruption, non-performance or delay, the particulars thereof including reasonable details of the nature of the event causing the same, its expected duration and the obligations under this Agreement that will be affected as a result thereof;

(b) the Party claiming the disruption under paragraph (a) above shall continue to provide reasonable status updates to the other Party with respect to such disruption, on a timely basis during the continuance of such disruption;

(c) IBM shall use all commercially reasonable efforts (including the redeployment or reassignment of other available IBM or ISM personnel, having regard to the nature and extent of the Disaster and its impact on the Province and other Client Ministries) to provide delivery of the Critical Services in accordance with the Recovery Time Objectives and use commercially reasonable efforts to restore all Services in accordance with the IBM Services Recovery Plan;

(d) to the extent that such Disaster is not addressed or not fully addressed in the IBM Services Recovery Plan, IBM shall use all commercially reasonable efforts to restore the Services;

(e) within thirty (30) days of the recovery of the Services as a result of the implementation of the IBM Services Recovery Plan, IBM shall provide the Province (through the Joint Program Office) with a written report detailing the reasons for the execution of the IBM Services Recovery Plan, the steps taken by IBM in respect thereof, and any recommendations that IBM may have with respect to improving the IBM Services Recovery Plan (including the responsibilities and timelines referred to therein); and

(f) notwithstanding the foregoing, the Province shall retain the right to conduct an Operational Audit, sign-off and confirm the full recovery of the Services following the execution of an IBM Services Recovery Plan.

ARTICLE 8 - RELATIONSHIP MANAGEMENT AND HUMAN RESOURCES

8.1 Governance.

Forthwith upon the execution of this Agreement, the Parties shall establish a governance structure in accordance with the governance framework described in the attached **Schedule P** (*Governance*). During the Term, the relationship of the Parties shall be expressly governed by the provisions of this Article 8 (*Relationship Management and Human Resources*) and the processes and procedures set forth in, or otherwise established by the Parties in accordance with the framework described in, the attached **Schedule P** (*Governance*), as such schedule may be amended and supplemented by the Parties from time to time in accordance with this Agreement.

8.2 Power and Authority of IBM.

Except as set forth in Section 8.5 (*Required Province Approval*) and subject to the terms of this Agreement, IBM shall have the power and authority to take such actions as it deems to be prudent, necessary or advisable to perform the Services in accordance with the terms and conditions set forth in this Agreement including, without limitation, the Services Levels.

8.3 Province's Right to Issue Directives.

The Province may, from time to time, at IBM's request or at the Province's own initiative, issue written directives and instructions and establish written policies and procedures relating to IBM's performance of or delivery of the Services (including procedures with respect to confidentiality, privacy and security), in order to ensure that the Services performed by IBM comply with the Province policies, which shall be implemented in accordance with the Change Order Process. The Province shall provide timely notice to IBM of any such written directives, instructions, policies and procedures. IBM shall indicate, in writing, its intent to act in accordance with such written directives, instructions, policies and procedures which it has received from the Province, provided that they shall not oblige IBM to perform any Service that is outside the scope of the services provided for under the terms of the JSRFP.

8.4 Reliance on Instructions.

In performing its obligations under this Agreement, IBM shall be entitled to rely upon any instructions, authorizations, approvals or other information provided to IBM by the Province from time to time through the established governance channels described in **Schedule P** (*Governance*), or such other authorized personnel as may be specifically identified in this Agreement, or agreed by the Parties.

8.5 Required Province Approval.

IBM shall not undertake any of the following matters without the prior approval of the Province through the Governance Process or as may otherwise be specifically provided in this Agreement:

(a) those matters specifically identified in this Agreement as requiring the approval or other authorization or consent of the Province;

(b) soliciting Clients (Client Ministries/BC Broader Public Sector) for potential project services within the scope of Services under this Agreement; or

(c) making or agreeing to make any capital expenditure on behalf of the Province.

8.6 Key Positions.

The initial IBM Key Positions and the initial Province Key Positions, as well as the personnel assigned to such Key Positions, are identified in the attached **Schedule M** (*Key Positions*). The Parties may, from time to time through the Joint Program Office mutually agree to redesignate the positions that constitute Key Positions. Recognizing the importance of executive continuity to the ongoing success of the Parties' relationship and the performance of the Services under this Agreement, the Parties shall use all reasonable efforts to minimize turnover of personnel in their respective Key Positions in order to maintain continuity with respect thereto. Furthermore, IBM shall use all reasonable efforts to ensure that there is no turnover in the IBM Key Positions for the respective periods set forth in **Schedule M** (*Key Positions*) for each IBM Key Position. At all times during the Term, the Parties shall ensure that their respective Key

Positions are appropriately staffed with personnel of suitable skill, and available during such reasonable times as may be necessary to ensure the continuous and uninterrupted provision of the Services.

8.7 Changes in Province Key Positions.

Personnel changes in respect of such Province Key Positions shall be implemented by the Province in accordance with the following, which shall apply to the WSS LOB Executive and Delivery Manager during the Transition Period, and to the Delivery Manager during the Term of the Agreement, and provided that such Province Key Positions are not filled by appointments made by way of an Order-in-Council:

(a) the Province may replace a person holding a Province Key Position or appoint a new person to fill a vacancy caused by the resignation or other departure of a person holding a Province Key Position, provided that:

(i) the Province provides IBM with reasonable prior written notice thereof, if possible, and

(ii) the Province provides IBM with the opportunity to consult with the Province in respect of the hiring or appointment of a successor to a Province Key Position;

(b) in the event of an extended and unexpected absence of the incumbent in a Province Key Position, the Province shall forthwith advise IBM of such absence and the Parties shall consult with each other as to the appropriate steps to be taken by the Province in respect of such absence; and

(c) any person assigned to a Province Key Position that is vacated for any reason shall be of equal or better qualifications as the person who previously held such position, with appropriate experience, and such person shall be suitably trained and transitioned to the Province Key Position.

8.8 Changes in IBM Key Positions.

The Province has entered into this Agreement in reliance upon and with the expectation that the personnel in the IBM Key Positions shall be engaged in the provision of the Services to the Province for the periods specified in **Schedule M** (*Key Positions*), and with the expectation of reasonable continuity in the IBM Key Positions during such periods. Accordingly, personnel changes in respect of such IBM Key Positions shall be implemented by IBM in accordance with the following, which shall apply for the respective periods specified in **Schedule M** (*Key Positions*) for each IBM Key Position:

(a) IBM may replace a person holding an IBM Key Position or appoint a new person to fill a vacancy caused by the resignation or other departure of a person holding an IBM Key Position, provided that:

(i) IBM provides the Province with reasonable prior written notice thereof, if possible, together with relevant information regarding the background qualifications of the person that IBM wishes to appoint in the IBM Key Position, and such other information regarding the qualifications of such person as the Province may reasonably request, provided all such information is consistent with IBM personnel practices,

(ii) IBM will provide the Province with the opportunity to interview the person that IBM wishes to appoint or hire into the IBM Key Position prior to the final decision being made in respect of such appointment or hire, and IBM obtains and considers comments from, and consults with, the Province in respect of such interview,

(iii) IBM obtains the approval of the Province, acting reasonably, in respect of any candidate that will replace an incumbent in an IBM Key Position, and

(iv) IBM will maintain a succession plan or process for the replacement of the personnel performing roles equivalent to the IBM Key Position, which succession plan or process shall include a job description for the IBM Key Position, the required experience and qualifications necessary in order to fulfill the mandate of the IBM Key Position, the training and transition that will be undertaken in respect of the successor to the IBM Key Position, and the search procedures that will be undertaken by IBM for purposes of filling any vacancies that may arise in an IBM Key Position;

(b) in the event of an extended and unexpected absence of the incumbent in an IBM Key Position, IBM shall forthwith advise the Province of such absence and the Parties shall consult with each other as to the appropriate steps to be taken by IBM in respect of such absence; and

(c) any person assigned to an IBM Key Position that is vacated for any reason shall be of equal or better qualifications and experience as the person who previously held such position, with appropriate experience, and such person shall be suitably trained and transitioned to the IBM Key Position.

8.9 IBM Key Position Failures.

At any time, and from time to time, during the Term, the Province may by written notice to IBM, declare that an IBM Key Position has failed to satisfactorily perform the duties of such position, which notice shall provide an explanation of such failure. The parties shall promptly discuss the concerns of the Province in respect of such IBM Key Position, and IBM shall, as soon as possible thereafter, investigate the matter and provide the Province with IBM's recommended course of action in respect thereof, which course of action may include a removal of the incumbent in the applicable IBM Key Position. If the Province does not agree with IBM's recommended course of action in respect of the IBM Key Position, then the Parties shall escalate the matter, on an expedited basis, through the Governance Process for resolution, or such other discreet channels of communication as may be appropriate under the circumstances, for consideration. Where the issue is not resolved through the Governance Process, then the Province shall have the right to require IBM to remove the incumbent from the IBM Key Position. In such event, IBM shall promptly remove the incumbent from such IBM Key Position and appoint an alternate Person for such vacated IBM Key Position.

8.10 Training.

IBM shall ensure that all of its IBM Key Positions, Personnel and all applicable External Personnel receive quality training courses, refresher courses and retraining programs in respect of the delivery of the Services in accordance with the provisions of this Agreement and shall cause its Subcontractors to ensure that the External Personnel receive appropriate training. Without limiting the generality of the foregoing,

IBM shall ensure that training with respect to privacy and confidentiality is conducted in the manner contemplated in Section 14.19 (*Privacy Training*).

8.11 General Principles Regarding Personnel.

At all times during the Term, IBM shall employ sufficient personnel of IBM, including both employees and independent contractors of IBM (collectively, "**Personnel**") and require that its Subcontractors engage sufficient personnel ("**External Personnel**") to perform the Services. The following provisions shall apply with respect to the Personnel and the External Personnel in the course of performing the Services:

(a) IBM shall be responsible for the management and supervision of, and for the acts, omissions and performance of, its Personnel and shall ensure that its Subcontractors are responsible for the management and supervision of, and for the acts, omissions and performance of the External Personnel;

(b) IBM shall ensure that the Personnel performing the Services shall:

(i) possess a degree of skill and experience appropriate to the tasks to which they are assigned and as necessary to meet the performance and Service Levels which IBM is required to achieve,

(ii) have received appropriate training in accordance with Section 8.10 (*Training*); and

(iii) strictly comply with the privacy, security and confidentiality provisions set forth in Article 14 (*Privacy, Security and Confidentiality*);

and IBM shall require its Subcontractors ensure that the External Personnel meet the requirements of paragraphs (i) to (iii) above;

(c) where agreed by the Parties that it is appropriate and prudent to do so due to the nature of the Service or of the Personal Information being accessed, IBM shall conduct such background checks as agreed with respect to the applicable Personnel and shall contractually require Subcontractors to do the same with respect to the applicable External Personnel prior to such personnel commencing to provide such Services;

(d) IBM shall ensure that there is a sufficient number of Personnel and shall cause its Subcontractors to ensure that there is a sufficient number of External Personnel available at all times during the Term to provide the Services in accordance with Service Levels and the other terms and conditions of this Agreement;

(e) provided that IBM meets its obligations as set out in Subsections 8.11(b) (*General Principles Regarding Personnel*) and 8.11(d) (*General Principles Regarding Personnel*) above, IBM may use the Personnel performing Services for the purpose of performing services for other customers of IBM, and IBM may assign its personnel in any way it may choose;

(f) subject to the terms of the Master Transfer Agreement, from and after the Commencement Date, IBM shall be solely liable and responsible for (to the exclusion of the Province) all costs, expenses, liabilities or claims, whenever incurred, relating to:

(i) salaries and other compensation payable to its Personnel,

(ii) labour relations proceedings or orders, grievances, arbitration proceedings or unsatisfied arbitration awards relating to its Personnel,

(iii) strikes or other actions due to labour disputes involving its Personnel, and

(iv) complaints, claims, decisions, applications, orders or prosecutions under any employment or labour standards, occupational health and safety, workers' compensation, pay equity, employment equity and human rights legislation relating to its Personnel,

regardless of the time that the matter or event giving rise to any such costs, expenses, liability or claims arises or occurs, and for greater certainty, unless provided otherwise under the terms of the Master Transfer Agreement, none of such costs, expenses, liabilities or claims referred to in this Subsection 8.11(f) (*General Principles Regarding Personnel*) shall be subject to reimbursement by the Province to IBM;

(g) IBM shall deal with its Subcontractors in such a manner that the Province shall have no liability resulting from the failure of the Subcontractors to meet the same responsibilities and payment obligations as described above in Subsection 8.11(f) (*General Principles Regarding Personnel*) with respect to the External Personnel, and for greater certainty, none of such costs, expenses, liabilities or claims contemplated in this Subsection 8.11(g) (*General Principles Regarding Personnel*) shall be subject to reimbursement by the Province to IBM or to the Subcontractors;

(h) IBM shall comply at all times with all applicable collective agreements and all applicable employment standards, occupational health and safety, workers' compensation, human rights legislation, and other Applicable Laws of Canada and British Columbia relating to its Personnel, shall cause each Subcontractor to comply with the same as applicable to the External Personnel of such entities, and shall deal with all Subcontractors in such a manner that the Province shall have no liability resulting from any failure of the Subcontractors to so comply with such responsibilities and obligations with respect to the External Personnel; and

(i) except as expressly provided otherwise in this Agreement or in the Master Transfer Agreement, IBM shall be solely liable and responsible for, to the exclusion of the Province, all costs arising from or otherwise relating to the termination by IBM of any Personnel and IBM shall not be reimbursed by the Province for any such costs, expenses, claims or liabilities.

8.12 Relationship with Province Clients and Stakeholders.

The Province shall be responsible for the customer relationship with the Clients Ministries within the Province, as well as all customer relationships with the Broader Public Sector customers, with respect to the provision of workstation support services as contemplated by this Agreement. In connection therewith, and at the request of the Province, IBM shall provide such support as the Province may reasonably request with respect to managing such relationships.

8.13 Annual Strategic Plan.

The Parties shall prepare an annual strategic plan in accordance with **Schedule P** (*Governance*).

ARTICLE 9 - BENCHMARKING

9.1 Benchmarking.

The Province may require benchmarking comparisons of the Charges for the Services and the Service Levels to be performed by IBM with the fees for substantially similar services and service levels provided by other top tier service providers (each, a "**Benchmarking**"), in which case the following shall apply:

(a) the first Benchmarking shall not be performed before April 1, 2007;

(b) the Benchmarking shall not be performed more frequently than once (1) in any two (2) consecutive Contract Years and not more than three (3) times during the Term of the Agreement;

(c) the third party consultant performing the Benchmarking (the "**Benchmarker**") shall be selected and engaged by the Province and IBM jointly. If the Province and IBM are not able to agree on the selection of the Benchmarker, then the matter shall be settled in accordance with Article 24 (*Disputes*);

(d) the costs of the Benchmarker shall be shared equally between the Province and IBM;

(e) as a condition to its engagement, the Benchmarker shall:

(i) perform the benchmarking services on a non-contingency-fee basis;

(ii) enter into an agreement with the Province and IBM, which agreement shall contain the requirements set forth in this Article 9 (*Benchmarking*); and

(iii) prior to performing the comparison, provide a written summary of the benchmark methodology, meet with the Parties to review and explain such methodology, and perform the benchmark in strict adherence thereto.

9.2 Benchmarking Cooperation.

It is the intent of the Parties that the Benchmarking be a collaborative process. In this regard, each Party shall cooperate with reasonable requests by the Benchmarker for any information or data related to the Agreement, including Service Levels, to the extent necessary for the Benchmarker to perform the Benchmarking, provided, however, in no event shall IBM be required to provide the Benchmarker with IBM cost data or data relating to other IBM customers.

9.3 Comparison to Representative Sample.

The Benchmarker shall compare the total fees, in aggregate, applicable to the Services, against the total charges applicable to similar services with respect to the selected entities in the Representative Sample as such term is defined below. The Benchmarker shall take into consideration and account for differences in the volume of services, scope of services, service levels, complexity of the customer/service provider relationship, degree of standardization of the workstations, terms and conditions of the contract governing the services, any financing provided by the service provider, service delivery and receipt location(s) and

other relevant factors applicable to the entities comprising the Representative Sample, to normalize the data used by the Benchmarker to perform the comparison in order to provide as accurate of a comparison as reasonably possible. For purposes of this Section "Representative Sample" for Services shall mean a sample of a minimum of five (5) entities proposed by the Benchmarker that shall only include customers outsourced by top tier outsourcers in a similar geographic location with similar scope, service levels and volume and similar complexity as the Services.

9.4 Benchmarker's Report.

Each Party shall receive a copy of the Benchmarker's report which shall be treated as Confidential Information of each Party and shall have an opportunity to review the same and make submissions with respect to the findings contained in the Benchmarker's report prior to any adjustments. If the Benchmarker's report indicates that the Charges for the Services and Service Levels are materially different from the average total charges for the Services and Service Levels among the Representative Sample, then the Parties shall discuss and agree upon whether the Charges for the Services or the Service Levels shall be adjusted. Any such adjustments shall be subject to mutual agreement of the Parties in accordance with the Governance Process and implemented in accordance with the Change Order Process on a prospective basis for future Services.

ARTICLE 10 - INTELLECTUAL PROPERTY AND PROPRIETARY RIGHTS

10.1 Application of Sections.

Sections 10.3 to 10.11 apply only in respect of the Base Services and Included Projects, and Works and Materials, Modifications, IP Rights, and related rights, licenses and obligations arising out of the Base Services and Included Projects, provided that this Section 10.1 (*Application of Sections*) shall not limit references to Province Intellectual Property, IBM Intellectual Property and Third Party Intellectual Property to other than their full meaning provided for herein.

10.2 Excluded Projects.

If the Province retains IBM to perform any Excluded Projects, the Parties shall agree upon the ownership (including IP Rights) of any Works and Materials resulting from the performance of such Excluded Projects and any related rights, licenses and obligations pursuant to the Governance Process.

10.3 Province Intellectual Property.

The Province shall be and remain the sole and exclusive owner of all right, title and interest in and to the Province Intellectual Property and all Modifications thereto, whether made by or on behalf of the Province or IBM alone, jointly with each other or with any other Person, including any Province or IBM Affiliates, Personnel, Subcontractors and External Personnel.

10.4 IBM Intellectual Property.

IBM shall be and remain the sole and exclusive owner of all right, title and interest in and to the IBM Intellectual Property and the New Intellectual Property and, subject to Section 10.12 (*Province Modifications to Embedded IBM Intellectual Property*), all Modifications thereto, whether made by or on behalf of the Province or IBM alone, jointly with each other or with any other Person, including any Province or IBM Affiliates, Personnel, Subcontractors and External Personnel.

10.5 Third Party Intellectual Property.

Subject to the rights of the owner of any Third Party Intellectual Property, as between the Province and IBM, the Province shall be and remain the sole and exclusive owner of all Modifications to Third Party Intellectual Property licensed by the Province made by or on behalf of the Province or IBM pursuant this Agreement, whether made by the Province or IBM alone, jointly with each other or with any other Person, including any Province or IBM Affiliates, Personnel, Subcontractors and External Personnel.

10.6 Assignment Re: Intellectual Property.

If, notwithstanding Sections 10.3 (*Province Intellectual Property*), 10.4 (*IBM Intellectual Property*) or 10.5 (*Third Party Intellectual Property*), either Party (the "**Assigning Party**") retains, acquires or owns any right, title or interest, including any IP Rights, in or to anything that is to be owned by the other Party (the "**Assignee Party**") pursuant to notwithstanding Sections 10.3 (*Province Intellectual Property*), 10.4 (*IBM Intellectual Property*) or 10.5 (*Third Party Intellectual Property*), as applicable, (the "**Assigned Intellectual Property**"), then the Assigning Party shall assign, and for no further consideration and without any further act or formality does hereby irrevocably assign, to the Assignee Party all of the Assigning Party's worldwide right, title and interest in and to the Assigned Intellectual Property, including all IP Rights therein, free and clear of all Liens, but subject to any licenses granted by the Assignee Party to the Assigning Party pursuant to this Agreement. If and to the extent that the assignment pursuant to this Section 10.6 (*Assignment Re: Intellectual Property*) is not effective on the date hereof or on any future date, either generally or pursuant to the laws of any jurisdiction, then any and all right, title and interest, including IP Rights, in and to the Assigned Intellectual Property that is retained, acquired or owned by the Assigning Party (collectively, the "**Trust Rights**"), shall be held by the Assigning Party in trust for the exclusive benefit and use of the Assignee Party, except for any licenses granted by the Assignee Party to the Assigning Party pursuant to this Agreement, and the Assigning Party shall execute and deliver to the Assignee Party such transfers, assignments, documents and instruments as may be necessary to transfer and assign to the Assignee Party the Trust Rights, free and clear of all Liens, promptly upon receipt thereof from the Assignee Party, and shall otherwise cooperate with the Assignee Party to give effect to, record and register the Assignee Party's ownership of the Trust Rights.

10.7 IBM Personnel and Subcontractors.

IBM shall ensure that:

(a) all IBM Personnel and Subcontractors shall by duly executed written agreement or by operation of law, irrevocably and unconditionally sell, assign and transfer to IBM all right, title and interest, including all IP Rights, that they may have in or to any or all Province Intellectual Property and all Modifications to Province Intellectual Property or Third Party Intellectual Property licensed by the Province, such that the assignment by IBM pursuant to Sections 10.3 (*Province Intellectual Property*), 10.5 (*Third Party Intellectual Property*) and 10.6 (*Assignment Re: Intellectual Property*) includes all right, title and interest, including all IP Rights, of the IBM Personnel and Subcontractors; and

(b) all IBM Personnel and unincorporated Subcontractors shall by duly executed written agreement, irrevocably waive all non-transferable rights, including moral rights, that they have or may have in any Province Intellectual Property and any Modifications to Province Intellectual Property or Third Party Intellectual Property licensed by the Province in favour of IBM, its customers and their respective successors and assigns.

IBM shall use reasonable efforts to impose upon each Subcontractor of IBM obligations equivalent to those in this Section 10.7 (*IBM Personnel and Subcontractors*) in respect of the External Personnel of that Subcontractor.

10.8 Province Personnel and Subcontractors.

(a) The Province shall do such things as necessary to ensure that the Province acquires from the Province Personnel and Subcontractors such right, title and interest, including IP Rights, as may be necessary for the Province to assign to IBM all right, title and interest, including all IP Rights, in and to the IBM Intellectual Property, New Intellectual Property or Modifications to IBM Intellectual Property or New Intellectual Property in accordance with Sections 10.4 (*IBM Intellectual Property*) and 10.6 (*Assignment Re: Intellectual Property*). If requested by IBM in respect of any Works and Materials created or contributed to by Province Personnel or Subcontractors pursuant to this Agreement and which form part of the IBM Intellectual Property, New Intellectual Property or Modifications to IBM Intellectual Property or New Intellectual Property, the Province will provide IBM with a written statement of the basis on which the Province has acquired the right, title and interest, including IP Rights, of such Province Personnel or Subcontractors.

(b) If requested by IBM, the Province shall use reasonable efforts to obtain from any Province Personnel, Subcontractors or External Personnel written waivers of moral rights in respect of any Works and Materials created or contributed to by such Province Personnel, Subcontractors or External Personnel pursuant to this Agreement and which form part of the IBM Intellectual Property, New Intellectual Property or Modifications to IBM Intellectual Property or New Intellectual Property.

10.9 IBM's Use of Province Intellectual Property for Services.

Subject to this Agreement, IBM shall have the non-exclusive right during the Term, without cost or charge but subject to any third party rights as notified by the Province to IBM, to Use the Province Intellectual Property and to create and Use Modifications thereto, and subject to the rights of the owner thereof to Use any Third Party Intellectual Property licensed by the Province and to create and Use Modifications thereto, for the purpose of providing the Services pursuant to, and in accordance with, the terms of this Agreement, and to permit IBM's Personnel, Subcontractors and External Personnel to do so. The foregoing does not give IBM the right, and IBM is not authorized, to permit or authorize any other Person to Use the Province Intellectual Property, the Third Party Intellectual Property licensed by the Province or any Modifications thereto (other than IBM Affiliates, Personnel, Subcontractors and External Personnel who require the same for purposes of, and in connection with, the delivery of the Services to the Province and who have agreed with IBM to be bound by the terms and conditions of this Article 10 (*Intellectual Property and Proprietary Rights*) with respect to the ownership and permitted uses of the Province Intellectual Property, the Third Party Intellectual Property licensed by the Province and Modifications thereto and the provisions of Article 14 (*Privacy, Security and Confidentiality*) with respect to Province Confidential Information).

10.10 IBM's Use of Modifications.

(a) The Province hereby grants to IBM an irrevocable, perpetual, royalty free, fully paid-up, non-exclusive license to Use, on an enterprise basis and without restriction or limitation as to users (whether by number, identity or otherwise), location, authorized system or otherwise, and with the right to grant sublicenses, all Modifications to Province

Intellectual Property made by or on behalf of IBM pursuant this Agreement, whether made by IBM alone, jointly with the Province or with any other Person, including any Province or IBM Affiliates, Personnel, Subcontractors and External Personnel.

(b) Subject to the rights of the owner of any Third Party Intellectual Property, the Province hereby grants to IBM an irrevocable, perpetual, royalty free, fully paid-up, non-exclusive license to Use, on an enterprise basis and without restriction or limitation as to users (whether by number, identity or otherwise), location, authorized system or otherwise, and with the right to grant sublicenses, all Modifications to Third Party Intellectual Property licensed by the Province made by or on behalf of IBM pursuant this Agreement, whether made by IBM alone, jointly with the Province or with any other Person, including any Province or IBM Affiliates, Personnel, Subcontractors and External Personnel.

10.11 Province's Use of Embedded IBM Intellectual Property.

(a) IBM hereby grants to the Province an irrevocable, perpetual, royalty free, fully paid-up, non-exclusive license to Use, for the Province's internal requirements on an enterprise basis and without restriction or limitation as to users (whether by number, identity or otherwise), location, authorized system or otherwise, the Embedded IBM Intellectual Property, but only as part of, and not separate or apart from, the Province Intellectual Property or Modifications thereto or Modifications to Third Party Intellectual Property or Deliverable in which any Embedded Intellectual Property was originally incorporated, embedded, contained or otherwise included by IBM.

(b) The license granted under this Section 10.11 (*Province's Use of Embedded IBM Intellectual Property*) does not give the Province the right, and the Province is not authorized, to authorize third parties to Use the Embedded IBM Intellectual Property, except that the Province may authorize its subcontractors, agents or representatives, including the Alternate Service Provider, to Use the Embedded IBM Intellectual Property (i) but only as part of, and not separate or apart from, the Province Intellectual Property or Modifications thereto or Modifications to Third Party Intellectual Property or Deliverable in which any Embedded Intellectual Property was originally incorporated, embedded, contained or otherwise included by IBM; and (ii) only in connection with the Province's internal requirements, and the Province may exercise its rights under this Section 10.11 (*Province's Use of Embedded IBM Intellectual Property*) for the benefit of, and may sublicense its rights under this Section 10.11 (*Province's Use of Embedded IBM Intellectual Property*) to, members of the Broader Public Sector who are or were at the time of expiry or termination of this Agreement receiving Services under this Agreement and who have agreed with the Province to be bound by the terms and conditions of this Article 10 (*Intellectual Property and Proprietary Rights*) with respect to the ownership and permitted uses of the IBM Intellectual Property, the New Intellectual Property and Modifications thereto and the provisions of Article 14 (*Privacy, Security and Confidentiality*) with respect to IBM Confidential Information.

(c) IBM shall not rely upon any IP Rights of IBM that are not included in Embedded IBM Intellectual Property to prevent or restrict the exercise by the Province of any of the rights granted to the Province pursuant to this Section 10.11 (*Province's Use of Embedded IBM Intellectual Property*) in respect of the Embedded IBM Intellectual Property.

10.12 Province Modifications to Embedded IBM Intellectual Property.

The Province shall own all right, title and interest, including IP Rights, in and to all Modifications to the Embedded IBM Intellectual Property made subsequent to the termination or expiry of this Agreement by or on behalf of the Province, the Alternate Service Provider, the Broader Public Sector and their respective contractors, subcontractors, agents and representatives, and the provisions of Section 10.6 (*Assignment Re: Intellectual Property*) shall apply, *mutatis mutandis*, in respect of the Province's ownership thereof. This Section 10.12 (*Province Modifications to Embedded IBM Intellectual Property*) shall not apply to any Modifications to Embedded IBM Intellectual Property made by or on behalf of IBM or any IBM Affiliate pursuant to any separate agreement between the Province and IBM or that IBM Affiliate and ownership of any such Modifications shall be determined in accordance with the terms of that separate agreement.

10.13 Province's Use of IBM Software.

The Province's rights and licenses in respect of any IBM Software shall be determined pursuant to the applicable software license agreement between IBM and the Province with respect to that IBM Software. Nothing in this Agreement shall be construed so as to grant the Province any rights in IBM Software. The termination or expiry of this Agreement shall not result in the termination or expiry of any software license agreement between IBM and the Province with respect to any IBM Software, and each such agreement shall expire or terminate only in accordance with its terms.

10.14 Post-Termination Maintenance and Support.

Subsequent to termination or expiry of this Agreement, IBM will provide to the Province or its designee, including the Alternate Service Provider, any maintenance and support services that IBM provides to its customers generally in respect of the Embedded IBM Intellectual Property and IBM Software retained and Used by the Province pursuant to Sections 10.11 (*Province's Use of Embedded IBM Intellectual Property*) and 10.13 (*Province's Use of IBM Software*), provided the maintenance and support services are provided for and relate to the version of Embedded IBM Intellectual Property retained and Used by the Province, on IBM's normal commercial terms and rates for such maintenance and support services.

10.15 Third Party Intellectual Property.

IBM will not incorporate, embed, contain or otherwise include in any Province Intellectual Property or Modifications thereto, or in any Modifications to Third Party Intellectual Property licensed by the Province, or in any Deliverable, any Third Party Intellectual Property unless IBM has obtained and assigned to the Province a license in respect of such Third Party Intellectual Property on such terms and conditions as have been approved by the Province, in its discretion, prior to such provision, delivery, incorporation, embedding, containing or inclusion of that Third Party Intellectual Property.

10.16 Reservation of Rights.

Except as expressly set out herein, neither the Province in respect of the Province Intellectual Property or any Modifications thereto or any Third Party Intellectual Property licensed by the Province or any Modifications thereto, or IBM in respect of the IBM Intellectual Property or the New Intellectual Property or any Modifications thereto, grants to the other Party any rights other than as expressly set out in this Article 10 (*Intellectual Property and Proprietary Rights*) or Article 11 (*Branding and Trademarks*). Without limiting the generality of the foregoing, no rights or licenses under patents are granted, provided that IBM will not rely upon its rights under any patent to prevent or restrict the exercise by the Province of any of the rights granted to the Province pursuant to this Article 10 (*Intellectual Property and*

Proprietary Rights) in respect of the Province Intellectual Property or any Modifications thereto or any Third Party Intellectual Property licensed by the Province or any Modifications thereto.

10.17 Marking.

Each Party agrees to reproduce the other Party's copyright notices and other legends of ownership on the original and any copies of the other Party's Works and Materials received or made pursuant to this Agreement.

10.18 System Contaminants.

Each of IBM and the Province shall use reasonable efforts to ensure that all Software provided or used by it or its Subcontractors in connection with or to provide the Services do not and shall not contain any virus, Trojan horse, worm, backdoor, or similar software, code or program which is intended to, is likely to or has the effect of disabling, denying authorized access to, permitting unauthorized access to, damaging or destroying, corrupting or affecting the provision of the Services or the normal use of any of IBM's or the Province's systems, networks or Software or any data on or used in conjunction therewith (each a "**Contaminant**"). Neither Party shall insert or knowingly permit any third party to insert a Contaminant into any of the systems, networks or Software used in connection with or to provide the Services. If IBM becomes aware of the existence of a Contaminant in any of IBM's systems, networks or Software used in connection with or to provide the Services, it shall notify the Province thereof and shall use reasonable efforts to remove the Contaminant in a prompt and co-ordinated manner so as to minimize the spread and impact of such Contaminant. In the event that the Province becomes aware of the existence of a Contaminant in any of the systems, networks or Software used in connection with or to receive the Services, it shall notify IBM thereof and shall use reasonable efforts to remove the Contaminant in a prompt and co-ordinated manner so as to minimize the spread and impact of such Contaminant.

10.19 System Protection Features.

To the extent that any Software developed or created by IBM or delivered to the Province by IBM contains protection features designed to prevent copying or the use of such Software, or other unauthorized access, to disable or erase Software or data, to shut down all or any portion of the Services or to perform other like actions, IBM shall provide the Province with the necessary key, password or other means such that the Province shall have access and use of the same, and in the case of Software of third parties, IBM shall do so in accordance with the licence therefor.

10.20 Residual Information.

Nothing in this Article 10 (*Intellectual Property and Proprietary Rights*) shall be construed in any manner which has the effect of limiting the provisions of Section 14.14 (*Residual Information*) of this Agreement.

10.21 Ownership of Other Assets.

Except as expressly provided in this Agreement:

(a) the Province shall be and remain the exclusive owner of all right, title and interest in and to all assets and property provided by the Province to IBM, including any assets to which IBM is given access from time to time during the Term;

(b) IBM shall be and remain the exclusive owner of all right, title and interest in and to all assets and property provided by IBM to the Province, including any assets to which the Province is given access from time to time during the Term.

ARTICLE 11 - BRANDING AND TRADEMARKS

11.1 Province Marks.

In respect of the use of the Province mark "Solutions BC" ("**Province Mark**"), the Parties agree as follows:

(a) any display or use of the Province Mark by IBM shall only be for the duration of the Term, on a non-exclusive basis, and only for the purposes of providing the Services (or any other purpose contained in the consent from the Province);

(b) IBM shall use the Province Mark only in the manner expressly permitted in writing by the Province, and provided that:

(i) the character and standards of quality of the wares and services in respect of which the Province Mark may be used by IBM are as set out in **Schedule T** (*Brand Permission*) of this Agreement,

(ii) the Parties acknowledge and agree that any and all goodwill that is or may be acquired from the use of the Province Mark by IBM shall vest in and be, and be deemed to be, the property of the Province,

(iii) such display or use the Province Mark is in accordance with the appropriate legends and otherwise in accordance with the Province policies (including any policies established or enforced by the Province's Public Affairs Bureau), as communicated to IBM, or permissions granted by the Province, in respect of the use of the Province Mark and all usage guidelines and restrictions as reasonably prescribed from time to time by the Province in respect thereof, as communicated to IBM,

(iv) IBM may not register or carry on business under a business name that contains the Province Mark unless specifically authorized by the Province, and

(v) upon Termination of this Agreement, IBM shall immediately cease any and all use of the Province Mark and shall discontinue the provision of all products and services in association with the Province Mark and, following such Termination, IBM shall not challenge the validity of the Province Mark or the Province's ownership of the Province Mark, or use the Province Mark or any trade-mark or trade name confusingly similar thereto;

(c) the Province is and shall remain the owner of the Province Mark and IBM shall not obtain any rights therein other than the right to use such Province Mark in accordance with the provisions hereof;

(d) IBM shall not use or register any Province Mark or any marks confusingly similar thereto except as expressly permitted by the Province; and

(e) during and after the Term, IBM shall not challenge the validity of the Province Mark or Province's ownership of the Province Mark.

11.2 Brand Use.

The Province hereby consents to and IBM shall provide the Services under the Province Mark "**Solutions BC**", or such other Province Mark as may be requested by the Province from time to time through the Change Order Process, in accordance with the express written permission of the Province in respect thereof. IBM shall not include its logo or marks on any correspondence in respect thereof except as may be expressly approved by the Province in writing.

ARTICLE 12 - CHARGES

12.1 Charges.

In consideration of the performance of the Services, the Province shall pay IBM the charges ("**Charges**") set forth in the attached **Schedule F** (*Charges*), subject to adjustment as contemplated under this Agreement including **Schedule F** (*Charges*). Except as otherwise expressly set forth in this Agreement, the Province shall not be obligated to pay any other amounts to IBM for IBM's performance of the Services and its other obligations under this Agreement. Any expenses that IBM incurs in the performance of the Services shall be subject to the provisions of Section 12.9 (*Expenses*) of this Agreement.

12.2 Invoices.

Not earlier than the end of the day, on the last day of each month, during the Term, IBM shall render to the Province invoices in respect of all Charges that are payable by the Province for the Services performed by IBM during that month. Each invoice shall be in the form attached as **Schedule W** (*Form of Invoice*), or such other form as the Parties mutually agree (both Parties acknowledging the objective to implement electronic invoicing). Payment of any invoice by the Province shall not be deemed to be approval or acceptance of such invoice and no such payment shall preclude the Province from contesting any amount set forth in an invoice at any later date in accordance with the provisions of Section 12.7 *(Disputed Payments)*.

12.3 Method of Payment.

The Province shall pay the Charges and Taxes to IBM on the following terms:

(a) as close as possible to thirty (30) days after receipt of the invoice or the Services, by the Province, whichever is later;

(b) the Province shall pay each invoice by wire transfer or other electronic means acceptable to IBM, to an account specified by IBM in writing;

(c) notwithstanding the payment date set forth above, interest on any overdue amounts shall only be payable commencing sixty (60) days after receipt by the Province on an invoice at the rates and in respect of the periods set forth in the *Interest on Overdue Accounts Payable Regulation* (B.C. Reg. 215/83), as amended or replaced from time to time, and where such regulation has been revoked and not replaced, at the last rate and time period calculated thereunder; and

(d) all Charges calculated or otherwise set forth in this Agreement are exclusive of all applicable Taxes unless otherwise expressly stated in this Agreement, and any Taxes shall be separately indicated on each invoice.

12.4 Taxes.

IBM shall collect, remit to the appropriate Taxing Authorities and report to the Province on all Taxes related to the Services. In the event that IBM shall fail to charge the Province for any Taxes in respect of the Services, the Province shall be responsible for the payment of the same upon receipt of an invoice therefor from IBM. Notwithstanding the foregoing, in such event, IBM shall be responsible for any and all interest, penalties or other fines that may be assessed with respect to such unpaid Taxes. The Parties shall cooperate with each other, acting reasonably, to determine the applicability of any Taxes on the Charges for the Services. The Services contracted for under this Agreement are for the Province's use, are being paid for with Crown funds, and are therefore not subject to GST. IBM shall be responsible for and shall arrange to pay taxes based on its own capital, net income, employment taxes of its own employees, and for taxes on any property it owns.

12.5 Value For Money.

IBM shall provide to the Province the Summary Financial Information in accordance with **Schedule N** (*Summary Financial Information*) within sixty (60) days after the end of each Contract Year. If IBM exceeds the IBM Margin then the Parties shall make such adjustments as contemplated in Section 13.3 (*Gain Sharing*) and **Schedule F** (*Charges*).

12.6 Rectification and Right of Set-Off.

Any amounts owed by IBM to the Province:

(a) under this Agreement or otherwise in respect of the Services including, Service Level Credits and benefit sharing under Article 13 (*Benefit Sharing and Growth*), but excluding any amounts under dispute hereunder; and

(b) by way of unpaid premiums, taxes or other amounts arising in connection with programs administered or otherwise offered by a Client Ministry in which IBM has participated as a customer, or is otherwise obligated to participate in or comply therewith,

may be set-off by the Province against Fees and other charges payable by the Province to IBM under this Agreement, or may be deducted from any sum due or which at any time may become due to IBM under this Agreement, provided that prior to any set-off action being initiated, the Province shall ensure that the Province's regular means of collecting the unpaid premiums, taxes or other such amounts have been attempted. To the extent that there are any amounts owing by IBM to the Province upon the expiry or earlier termination of this Agreement, whether by credits or otherwise, and there are no further Fees to set-off such amounts, then IBM shall pay such amounts directly to the Province.

12.7 Disputed Payments.

Notwithstanding the payment of any Fees, the Province may dispute any amounts invoiced to or otherwise payable by the Province to IBM by providing written notice of such dispute, along with an explanation of the reason for such dispute in reasonable detail within sixty (60) days of receipt by the Province of an invoice therefor; if there are any overpayments later discovered regarding the amounts so invoiced as a result of an audit or investigation under Article 15 (*Maintenance of Records and Audit*

Rights), then the Province shall be entitled to recover the amount of such overpayments pursuant to Section 15.18 (*Deficiencies*) or otherwise, notwithstanding the fact that such overpayments are discovered after the expiry of such sixty (60) day period.

12.8 Withholding Payment.

The Province may withhold payment of a particular portion of Fees that the Province disputes in good faith, subject to the following conditions:

(a) any amount withheld with respect to Base Fees shall be limited to the lesser of:

(i) the actual amount of the Fees then in dispute; and

(ii) the amount by which the invoice for Base Fees in the current month varies from the invoice for Base Fees in the previous month due to a volume fluctuation;

(b) any amount so withheld with respect to any hourly services (including Project Services) shall not exceed the actual amount of the Fees then in dispute;

(c) the Province provides to IBM concurrently with the withholding of the disputed Fees, a reasonably detailed explanation of the basis of the dispute; and

(d) the Parties shall promptly resolve the dispute, relating to the disputed amount in accordance with Article 24 (*Disputes*) of the Agreement,

provided that, from the Commencement Date and until the end of Stage 4 Transition, the Province must notify IBM, in writing, of its intention to withhold any portion of the Fees within ten (10) Business Days of receipt by the Province of an invoice, and, thereafter the Province must notify IBM, in writing, of its intention to withhold a portion of the Fees within five (5) Business Days of receipt by the Province of an invoice.

Any interest accrued on any amount owed or overpaid by one Party to the other shall be apportioned in the same manner as in the resolution of such disputed Fees. Any payment disputes in accordance with this Section 12.7 (*Disputed Payments*) shall not affect IBM's obligation to provide the Services under this Agreement at the agreed Service Levels or any other of IBM's obligations under this Agreement.

12.9 Expenses.

The Province shall reimburse IBM for expenses related to the performance of the Services in accordance with this Section 12.9 (*Expenses*). Where expenses meet the following criteria:

(i) the Province is the prime obligor in the arrangement;

(ii) IBM does not have the collection and credit risk; and

(iii) IBM adds no meaningful value to the third party product or service, has no discretion in supplier selection, is not involved in the determination of product or service specifications, and carries no risk,

they may be treated as pass-through expenses ("**Pass-Through Expenses**"). There shall be no mark-up or administrative fee on Pass-Through Expenses. Except for those expenses identified in this Agreement as Pass-Through Expenses, IBM shall use reasonable efforts to obtain the Province's prior approval of

any other Pass-Through Expense, which approval shall not be unreasonably withheld or delayed, provided that where there is a need to incur Pass-Through Expenses on an urgent basis, without reasonable opportunity to obtain consent, failure to obtain consent shall in no way restrict the Province's obligation of payment with respect to such expenses where they do not exceed $5,000 per occurrence.

ARTICLE 13 - BENEFIT SHARING AND GROWTH

13.1 Benefit Sharing Principles.

The Parties have agreed to the pursuit of future opportunities that bring benefit to the Parties including, without limitation, opportunities to leverage the service platform established by IBM for the provision of the Services, gaining economies of scale, and otherwise capitalizing on opportunities with third parties. In respect of such, the Parties have agreed to the following benefit sharing principles:

(a) Where IBM or its Affiliates use the infrastructure established in respect of this Agreement for other opportunities, there will be an allocation of costs on the basis of actual utilization associated with or otherwise attributable to the Services provided in respect of this Agreement. Only the Province's share of such costs will be allocated to the cost of Services reflected in the Detailed Contract Profitability Report.

(b) Where either Party identifies an opportunity to extend the Services to the Broader Public Sector within British Columbia ("**BC BPS**") and leverage the relationship between the Province and IBM or its Affiliates to secure additional business for IBM or its Affiliates, such Party will bring such opportunity to the attention of the other Party. The parties will jointly consider the opportunity through Governance and determine whether and how to proceed, documenting any resulting plans in writing. Where the Parties are successful in securing the opportunity and extending the Services to the BC BPS entity, then the volume price reductions from economies of scale shall be shared with the Province in accordance with the volume-price banding and Charges adjustments as set forth in Section 7 "Seat Charges and Price Banding" of **Schedule F** (*Charges*), provided that the price per Seat and Charges shall not be adjusted until the total number of Seats of the Province and the BC BPS, together, is greater than 30,800 Seats.

Neither Party will knowingly frustrate the Parties' ability to promote and extend the Services to the BPS. Further, the Parties agree to not knowingly limit or reduce benefits accruing or potentially accruing to either Party contemplated or intended under this Article 13 (*Benefit Sharing and Growth*) without mutual consent.

13.2 Marketing and Reference Assistance.

IBM or the Province may identify new business opportunities to leverage the B.C. WSS infrastructure within the public sector outside of British Columbia (which, for greater certainty, shall include the Federal Government of Canada ("**Non-BC Public Sector**") that may be assessed by either Party to be an opportunity that can leverage this Agreement to win the identified new business and may result in gains to the Parties to be shared. In such cases, the Party learning of a Non-BC Public Sector opportunity shall notify the other Party of such opportunity through Governance. Should IBM or any of its Affiliates decide to pursue a Non-BC Public Sector opportunity and make a request of the Province to assist with such opportunity then prior to IBM or any of its Affiliates pursuing the opportunity with Province assistance, the Parties shall determine, through Governance:

(a) the appropriate costs and expenses and the amounts thereof, for which IBM shall reimburse the Province in connection with the Province providing marketing assistance or providing references or responding to questions from the prospective Non-BC Public Sector Client; and

(b) an appropriate compensation arrangement pursuant to which IBM shall compensate the Province for its contribution in the event IBM and the Province are successful in winning the Non-BC Public Sector business without proceeding through a request for proposal or other similar tender process. The compensation arrangement shall be determined on a case by case, opportunity by opportunity basis, in accordance with the principles set forth in this Section and having regard for the roles and responsibilities of each Party and a fair allocation of benefits to the Province for its contribution. In such event, the compensation agreed upon under this Section shall be recognized by the Parties by way of an appropriate set-off of such agreed compensation amount against the Charges, when the opportunity is successfully secured or as mutually otherwise agreed.

IBM may identify new business opportunities within the private sector ("**Private Sector**"). Should IBM or any of its Affiliates decide to pursue a Private Sector opportunity and should IBM or any of its Affiliates make a request of the Province to assist with such opportunity by providing references or responding to questions from the prospective Private Sector Client, then IBM shall reimburse the Province for any reasonable costs and expenses agreed in advance and incurred by the Province in connection with the Province acting as a reference for IBM of any of its Affiliates.

13.3 Gain Sharing.

Where the IBM Margin is greater than 18% in connection with IBM providing Services to the Province, including all Client Ministries, then the Province shall receive a Margin Sharing Credit calculated in the manner set forth in **Schedule F** (*Charges*). Within 60 days after the end of each Contract Year, the Parties shall review the Summary Financial Information, setting forth the calculation of the IBM Margin for the immediately preceding Contract Year which shall be used to determine whether the Province is entitled to any payment for accumulated margin sharing ("**Margin Sharing Credits**"). In the event the Province is entitled to any Margin Sharing Credits, the total amount of such Margin Sharing Credits at the end of each Contract Year shall be set-off by the Province against the Charges, or be deducted from any sum due or which at any time may become due to IBM under this Agreement. The amount of the Margin Sharing Credit shall be reflected on the next monthly invoice delivered by IBM to the Province after review by the Province of the Summary Financial Information and shall appear on such invoice as a credit against amounts owing by the Province to IBM. To the extent that any amounts respecting the Margin Sharing Credit are owing by IBM to the Province upon Termination, and there are no further Charges to set-off such amounts then, upon Termination, IBM shall pay the outstanding amount of any Margin Sharing Credit directly to the Province notwithstanding that this Agreement otherwise contemplates the set-off of such amounts against the Charges.

Where the IBM Margin for the BC BPS portion of the Services is greater than 18%, then the Parties agree to share any margin above such 18% equally (50/50). The Margin Sharing Credit for the Province's share of any such margin above 18% will be set-off against the Charges on the next monthly invoice delivered by IBM to the Province. The Parties acknowledge that there are no limits on IBM annual gross margin to encourage IBM to reach the IBM Margin as quickly as possible.

13.4 Promotional Materials.

Each of IBM and the Province shall submit to the other all planned, written advertising, sales promotion materials and all other formal publicity materials relating to this Agreement or the transactions contemplated by this Agreement, or in which the other's name or Marks are mentioned (the "**Promotional Materials**"). Neither IBM nor the Province shall use any Promotional Materials without the prior consultation and approval of the other, which approval shall not be unreasonably withheld. Notwithstanding the foregoing, either Party may include the other's name and a factual description of the work performed under this Agreement on employee bulletin boards, in internal business planning documents, for account referral purposes in accordance with the Governance Process, or whenever otherwise required by reason of legal, accounting or regulatory requirements, and in proposals where such proposal language has been approved by the other Party, such approval not to be unreasonably withheld.

ARTICLE 14 – PRIVACY, SECURITY AND CONFIDENTIALITY

14.1 Acknowledgements.

(a) The Parties acknowledge that in the performance of the Services, either Party may be given Confidential Information of the other Party, and that the confidentiality and security of such Confidential Information is of paramount importance to the other Party.

(b) The Province and IBM acknowledge that:

(i) the Province has, prior to the Effective Date, conducted a Privacy Impact Assessment with respect to the Services described in this Agreement as of the Effective Date;

(ii) as of the Commencement Date and until the Parties agree otherwise, in accordance with the provisions of Section 14.6 (*Privacy Obligations for Personal Information*), IBM shall only have access to or Custody of the following Personal Information:

(A) home contact information of Province employees requiring the Services in connection with their home workstations; and

(B) IT Incident History,

(collectively, "**Business Information**"); and

(iii) other than the Business Information, IBM shall not be provided access to and/or Custody of Personal Information in the ordinary course of performing the Services.

14.2 Ownership and Control of Personal Information.

The Province shall be and remain the exclusive owner of all right, title and interest in and to the Personal Information and shall be and remain in complete Control of the Personal Information. No access to or Custody of Personal Information by IBM or any other Person as may be authorized by the Province during the Term shall be construed in any manner as providing Control or any other rights with respect to such Personal Information.

14.3 Disclosure of Personal Information.

IBM shall not disclose Personal Information to which it has or may have access to any Person for any reason other than as contemplated pursuant to this Article 14 (*Privacy, Security and Confidentiality*) of the Agreement, as contemplated in the ordinary performance of the Services and as permitted in accordance with the *Freedom of Information and Protection of Privacy Act* (British Columbia), and for the purposes thereof, IBM shall comply with the *Freedom of Information and Protection of Privacy Act* (British Columbia) with respect to Personal Information to the extent such Act applies to IBM as a "service provider" within the meaning of the *Freedom of Information and Protection of Privacy Act* (British Columbia). Without limiting the generality of the foregoing, IBM shall:

(a) not disclose any Personal Information outside Canada whether pursuant to a Disclosure Order, as more expressly limited pursuant to Section 14.7 (*USA Patriot Act*) of the Agreement, or otherwise;

(b) only disclose Personal Information in response to a subpoena, warrant, order, demand or request by a court or other authority if it is a Canadian court or Canadian authority that has jurisdiction to compel such disclosure;

(c) notify the Province if it receives a subpoena, warrant, order, demand or request to disclose Personal Information by a foreign court or other such authority outside Canada;

(d) notify the Province of any unauthorized use or disclosure of Personal Information;

(e) in relation to Personal Information, comply with the requirements of the *Freedom of Information and Protection of Privacy Act* (British Columbia) applicable to IBM as a "service provider", including any applicable order of the commissioner under that Act.

14.4 Collection, Storage, Removal of Personal Information.

Except for Business Information, unless the Province otherwise directs in writing, in the course of performing the Services or otherwise complying with its obligations under this Agreement, IBM acknowledges that IBM, its Personnel or its Subcontractors and the External Personal, shall at no time have the authority to:

(a) collect, create, reproduce, use, store, release, dispose, disclose or provide access to Personal Information;

(b) temporarily or permanently send Personal Information outside Canada for management, storage or safekeeping;

(c) store Personal Information outside Canada or permit access to Personal Information from outside Canada; and

(d) remove Personal Information from:

(i) the Province Facilities;

(ii) the IBM Facilities, if applicable; and

(iii) any other locations at which IBM performs the Services under this Agreement,

unless the purpose for such removal is expressly authorized by mutual agreement of the Parties which shall be determined and implemented in accordance with the Change Order Process and is in accordance with Applicable Law, including the *Freedom of Information and Protection of Privacy Act* (British Columbia).

14.5 Request for Access to Personal Information.

If IBM receives a request for access to Personal Information from a Person other than the Province, then IBM shall promptly advise the Person to make the request to the Province and, if the Province has advised IBM of the name or title and contact information of an official of the Province to whom such requests are to be made, IBM must also promptly provide that official's name or title and contact information to the person making the request.

14.6 Privacy Obligations For Personal Information.

From and after the Effective Date, prior to any change in the Services or the procedure, applications or technology used by IBM in performing the Services, as may be introduced through the Change Order Process, where the Parties (or either of them) reasonably believe may result in IBM having access to or Custody of Personal Information, the Province shall conduct a Privacy Impact Assessment, which assessment shall include a determination of whether IBM, as a result of the proposed change in the Services, procedure, applications or technology, would have access to and/or Custody of Personal Information. IBM shall work cooperatively with the Province to provide technical information as required by the Province for such Privacy Impact Assessment. If the results of such Privacy Impact Assessment indicate that IBM would have access to and/or Custody of Personal Information, then the Parties shall determine, through the Governance Process, whether to proceed with the implementation of the proposed change in the Services, procedure, applications or technology. If the Parties mutually agree, after consideration at the Joint Executive Steering Committee level, to proceed with such change in the Services, or in the procedure, applications or technology used by IBM in performing the Services, then such agreement shall be documented in a Change Order and IBM shall thereupon ensure that its Personnel, and to the extent applicable in accordance with the provisions of **Schedule R** (*Privacy Obligations*), its Subcontractors comply, at all times, with the obligations and requirements set forth in **Schedule R** (*Privacy Obligations*), as such may amended by mutual agreement of the Parties as described in the Change Order. For greater certainty, the Parties acknowledge and agree that the provisions of **Schedule R** (*Privacy Obligations*) shall not apply to IBM or its Subcontractors unless and only to the extent expressly adopted by the Parties through the Governance Process described in this Section 14.6 (*Privacy Obligations For Personal Information*), and documented in a Change Order.

14.7 USA Patriot Act.

(a) IBM expressly acknowledges and agrees that it is subject solely to the laws of Canada and to the laws of each of the Provinces of Canada including British Columbia, and it is not subject to the *Uniting and Strengthening America by Appropriate Tools Required to Intercept and Obstruct Terrorism Act* including, without limitation, any orders, directives, rulings, requirements, judgments, injunctions, awards or decrees, decisions, or other requirements issued pursuant to the *Uniting and Strengthening America by Appropriate Tools Required to Intercept and Obstruct Terrorism Act*, or any directions or requests from any Affiliate of IBM in respect of the same (each a "**Disclosure Order**").

(b) If IBM acquires access to or Custody of Personal Information pursuant to a Change Order as set out in Section 14.6 (*Privacy Obligations for Personal Information*), and if IBM receives a Disclosure Order related to any Personal Information then, upon receipt

thereof, IBM shall not disclose any Personal Information in response to such Disclosure Order and shall at all times act in accordance with the terms and conditions of this Agreement (including **Schedule R** (*Privacy Obligations*), as may be amended). A breach of the requirements of this Section may constitute an Event of Termination under Subsection 18.1(d) (*Events of Termination*), subject to the requirements of that Subsection, in which event the provisions for liquidated damages in accordance with Subsection 18.2(b) (*Remedies of the Province*) of this Agreement shall apply. The Parties expressly acknowledge and agree that this Section imposes obligations on IBM only and it does not compel IBM World Trade Corporation or International Business Machines Corporation to act contrary to any laws that apply to IBM World Trade Corporation. The provisions of this Section represent a lawful restriction on IBM being a Person governed by the laws of British Columbia. For greater certainty, this Subsection 14.7(b) (*USA Patriot Act*) does not apply to Business Information.

14.8 Safeguarding Confidential Information.

Each of the Parties acknowledges and agrees that all Confidential Information of the other Party, whether received or created before or after the Commencement Date, will be received in the strictest confidence and in accordance with and subject to the terms of this Agreement, including **Schedule R** (*Privacy Obligations*) if applicable pursuant to a Change Order and to the extent the information, is Personal Information. The Party receiving the Confidential Information will retain such information in confidence and shall treat such information in accordance with the terms of this Agreement and with a degree of care no less than the degree of care that the receiving Party employs for the protection of its own Confidential Information of a similar nature; provided that in any event the receiving Party shall use a reasonable degree of care to protect such Confidential Information appropriate to the nature of the information.

14.9 Permitted Disclosure and Use of Confidential Information.

A Party may use or disclose relevant aspects of the other Party's Confidential Information:

(a) to the extent necessary to perform its obligations and exercise its rights under this Agreement;

(b) to its Personnel, Affiliates, Subcontractors and External Personnel (and in the case of the Province, its employees and contractors), professional advisors and agents, to the extent that such disclosure and use thereof is necessary for the performance of the receiving Party's rights or obligations under this Agreement, and provided that such Persons have an actual need to know such information and have executed non-disclosure agreements for the protection of such confidential information, in IBM's standard form as of the Effective Date, as may be amended, provided that any such amendments should not be any less onerous;

(c) for purposes of Subsections 14.9 (a) and (b) (*Permitted Disclosure and Use of Confidential Information*) above, the Province may disclose IBM Confidential Information:

(i) for purposes of Financial Audits, conducting an audit, investigation or inspection pursuant to Section 15.10 (*Financial Audit Rights*), provided that any third parties to whom such disclosure is made first execute and deliver to the Province a non-disclosure agreement in the form attached as **Schedule V** (*Form of Non-Disclosure Agreement*) (a copy of which shall be provided to IBM),

(ii) for purposes of Operational Audits, conducting an audit, investigation or inspection pursuant to Section 15.13 (*Operational Audit Rights*), provided that any third parties to whom such disclosure is made first execute and deliver to the Province a non-disclosure agreement in the form attached as **Schedule V** (*Form of Non-Disclosure Agreement*) (a copy of which shall be provided to IBM), and

(iii) to its legal counsel for purposes of obtaining legal advice,

IBM shall cooperate with the Province and its qualified consultants or professionals engaged by the Province for purposes of obtaining advice from such parties, with respect to any technical specifications or other similar forms of specialized knowledge, as reasonably necessary for such consultants or professionals to perform their work provided that such parties first execute and deliver to the Province a non-disclosure agreement, in the form attached as **Schedule V** (*Form of Non-Disclosure Agreement*) satisfactory to the Parties acting reasonably in form and content.

14.10 Confidentiality of this Agreement and Transaction Documents.

The Parties shall maintain the confidentiality of this Agreement and the Transaction Documents, provided that the Province may disclose the Transaction Documents as required under, but subject to, the provisions of the *Freedom of Information and Protection of Privacy Act* (British Columbia).

14.11 Exceptions to Obligation of Confidentiality.

The obligations of confidentiality contained in this Article 14 (*Privacy, Security and Confidentiality*) shall not apply to any Confidential Information of the other Party to the extent that the receiving Party can reasonably demonstrate that such Confidential Information:

(a) was, at the time of disclosure to the receiving Party, in the public domain;

(b) after disclosure to the receiving Party, is published or is otherwise becomes part of the public domain through no fault of the receiving Party;

(c) was in the possession of the receiving Party at the time of disclosure to the receiving Party, and was not the subject of a pre-existing confidentiality obligation;

(d) was disclosed independently to the receiving Party by a third party who, insofar as the receiving Party was aware, was not subject to any confidentiality obligations in respect thereof, and in any event, provided that such Confidential Information was not of a nature that had it been the Confidential Information of the receiving Party, the receiving Party would have required that it be kept confidential;

(e) was independently developed by the receiving Party without the use of any Confidential Information of the other Party;

(f) is disclosed with the prior written approval of the other Party, but only to the extent approved by the other Party;

(g) with respect to the Province Confidential Information, as reasonably required in order for IBM to perform the Services in accordance with the terms of this Agreement;

(h) with respect to the IBM Confidential Information, as required of the Province under, but subject to the provisions of, the Freedom of Information and Protection of Privacy Act (British Columbia) subject to IBM retaining all rights under such Act including contesting such disclosure.

(i) is in the Transaction Summary.

14.12 Disclosure Compelled by Law.

A Party shall not be considered to have breached its confidentiality obligations under this Article 14 (*Privacy, Security and Confidentiality*) for disclosing any Confidential Information of the other Party to the extent that such disclosure is required to satisfy any Applicable Laws of Canada or British Columbia, provided that the Party required to make such disclosure (the "**Compelled Party**"):

(a) promptly upon receiving any such request and within a reasonable time prior to disclosure, notifies the other Party of the terms and circumstances of the requested disclosure;

(b) consults with the other Party regarding the nature and scope of such request and the response or other position that the Compelled Party intends to take with respect to such request;

(c) does not obstruct or interfere with, and to the extent practical, permits the other Party to obtain, a proactive order or other remedy to prevent, object to, enjoin, narrow the scope of, or otherwise contest the requested disclosure;

(d) if the other Party is unable to obtain a protective order or other similar remedy, then the Compelled Party shall only disclose such of the Confidential Information that it is legally obligated to disclose; and

(e) makes and reasonably pursues a request, that is reasonable and customary in the circumstances, to the applicable Governmental Authority for confidential treatment of the information to be disclosed to such Governmental Authority.

14.13 No Rights to Confidential Information.

Nothing contained in this Article 14 (*Privacy, Security and Confidentiality*) shall be construed as obligating a Party to disclose its Confidential Information to the other Party or is granting or conferring on a Party, expressly or implied, any right, title or interest or any licence in or to the Confidential Information of the other Party. Subject to Section 15.17(b)(ii) (*General Principles Regarding Audit, Investigation and Inspection Rights*) the provisions of this Article 14 (*Privacy, Security and Confidentiality*) shall not otherwise restrict or otherwise limit the rights granted to the Province for purposes of performing audits, inspections or investigations under Article 15 (*Maintenance of Records and Audit Rights*).

14.14 Residual Information.

The Province acknowledges that IBM provides hardware, software and services, that are similar to the hardware, software, and Services provided under this Agreement, among other services, to customers other than the Province and that IBM may, subject to any restrictions set out in Section 13.1 (*Benefit Sharing Principles*), enter into similar agreements with its other customers. The Province further

acknowledges that in the course of performing the Services, IBM and its Personnel may acquire residual information in the form of ideas, skills, knowledge and concepts related to information technology other than the Confidential Information of the Province from which some of such ideas, skills knowledge and concepts may be derived ("**IBM Residual Information**"). IBM is not restricted from using such IBM Residual Information in its business activities provided that this shall not relieve IBM from its obligations of non-disclosure of the Province Confidential Information. In addition, IBM acknowledges that, as a result of the receipt by the Province of the Services, the Province and the Province's Personnel may acquire residual information in the form of ideas, skills, knowledge and concepts related to information technology other than the Confidential Information of IBM from which some of such ideas, skills, knowledge and concepts may be derived ("**Province Residual Information**"), and that the Province is not restricted from using such Province Residual Information in its business activities provided that this shall not relive the Province from its obligations of non-disclosure of IBM Confidential Information.

14.15 Notification of Unauthorized Use of Confidential Information.

Each Party shall:

(a) notify the other Party of any material unauthorized disclosure, possession, use or knowledge, or attempt to effect the same, of the other Party's Confidential Information by any Person that may become known to such Party;

(b) promptly furnish to the other Party details of such unauthorized disclosure, possession, use or knowledge, or attempt to effect the same, and use reasonable efforts to assist the other Party in investigating or preventing the recurrence of any unauthorized disclosure, possession, use or knowledge, or attempt to effect the same, of the other Party's Confidential Information;

(c) use reasonable efforts to cooperate with the other Party in any litigation and investigation against third parties deemed necessary by the other Party to protect its Confidential Information, to the extent such litigation or investigation is related to this Agreement; and

(d) promptly use reasonable efforts to prevent a recurrence of any such unauthorized disclosure, possession, use or knowledge of the other Party's Confidential Information.

The Party whose Confidential Information is the subject of such activity will reimburse any direct expenses reasonably incurred by the other Party as a result of compliance by such other Party with this Section 14.15 (*Notification of Unauthorized Use of Confidential Information*).

14.16 Breach of Confidentiality.

Subject to the *Crown Proceeding Act* (British Columbia), in the event of a breach of this Article 14 (*Privacy, Security and Confidentiality*) the non-defaulting Party shall be entitled to seek preliminary and permanent injunctive relief to the extent that such remedy is available to a Party in accordance with Applicable Laws, or an order declaring the rights of the Parties instead of injunctive relief, as well as an equitable accounting of all profits and benefits arising out of such breach, which remedy shall be in addition to any other rights or remedies to which Party may be entitled under this Agreement or otherwise under any Applicable Laws.

14.17 Organizational Structure of IBM and Subcontractors.

Upon request of the Province, IBM shall provide to the Province a current organizational chart of IBM, ISM and the Key Subcontractors, indicating the ownership of the voting shares of such entity to its ultimate indirect shareholders, or to any ownership thereof by a non-Canadian Person (each, an "**Organizational Structure**"), updated by IBM and provided to the Province on an annual basis. The initial Organizational Structure for IBM and its Key Subcontractors is set forth in the attached **Schedule H** (*Organizational Structure*). As of the Effective Date, each of the Key Subcontractors is directly controlled, as to their voting shares (as control is defined in the *British Columbia Business Corporations Act*), by a Canadian Person.

14.18 Organizational Security.

IBM shall throughout the Term:

(a) have clearly defined security policies and procedures within IBM regarding the security of hardware which may be removed by IBM from Province Facilities;

(b) ensure security requirements that are consistent with the requirements contained in this Agreement are included in all of its Subcontractor contracts entered into in connection with providing the Services; and

(c) have a designated privacy, security and compliance officer, who is not a US Personnel, responsible for monitoring and enforcing privacy and security measures and who is responsible for implementing related directives of the Province in accordance with Section 8.3 (*Province's Right to Issue Directives*) of the Agreement, and to advise the Person designated by the Province.

14.19 Privacy Training.

IBM shall, and shall cause its Subcontractors to, maintain training plans and provide training that includes training of the Personnel and External Personnel, respectively in the following:

(a) aspects of privacy and security as may be appropriate to their job function;

(b) in respect of any Personnel or External Personnel performing desk-side workstation support services, policies relating to Province supervised workstation access, unauthorized collection, creation, reproduction, use, storage, release, disposal, and disclosure of Personal Information;

(c) the obligations that such Persons have directly to the Province with respect to the protection of Personal Information, if any, pursuant to the *Freedom of Information and Protection of Privacy Act* (British Columbia);

(d) any requirement pursuant to the *Freedom of Information and Protection of Privacy Act (British Columbia)* that there shall be no adverse consequences to such Persons in respect of such obligations; and

(e) the hotline established by the Province pursuant to the *Freedom of Information and Protection of Privacy Act (British Columbia)*, in order that the Personnel and the External

Personnel can notify the Province directly in the event of any disclosure or potential disclosure of Personal Information.

IBM shall provide refresher training in respect of the foregoing on an annual basis or where necessary to implement material changes in the applicable policies or procedures. IBM shall, and shall cause its Subcontractors to, develop and maintain staff manuals that detail the security and privacy procedures that are applicable to all Personnel and External Personnel, as applicable.

14.20 Authentication Project and Standards.

IBM acknowledges that the Province is currently undertaking an authentication project, and that IBM shall be required to comply with the Province's authentication requirements as a result of such project to the extent that the same relates to the Services, which requirement shall be brought forward to IBM through the Change Order Process.

14.21 FOIPPA Inspections.

IBM acknowledges that under the *Freedom of Information and Protection of Privacy Act* (British Columbia), the Commissioner has the power to obtain information and evidence from Persons other than the Province in the course of conducting an investigation or an inquiry under that Act. Accordingly, IBM shall provide reasonable cooperation to the Province with respect to investigations or inquiries of the Commissioner under that Act regarding Province-related or Personal Information related matters, and in respect of any information to which the Commissioner is entitled under such Act.

ARTICLE 15 – MAINTENANCE OF RECORDS AND AUDIT RIGHTS

15.1 Maintenance of Records.

During the Term and for a period of seven (7) years after the end of the Term (or such longer period as may be required by Applicable Law), IBM shall:

(a) maintain accurate and complete Records related to this Agreement and to the Services to be provided by IBM hereunder (other than Records which have been returned to the Province by IBM), as may be necessary to enable the Province to:

(i) verify compliance by IBM with the terms of this Agreement,

(ii) verify that the Services were performed in accordance with the terms of this Agreement and Applicable Laws of Canada and British Columbia, and

(iii) ascertain the accuracy of all financial matters arising hereunder provided that any right to conduct a Financial Audit with respect to such Records shall be subject to Section 15.10 (*Financial Audit Rights*),

(b) cause Key Subcontractors to maintain complete and accurate Records of the transactions and activities undertaken by such Key Subcontractors on behalf of or for the benefit of IBM or the Province as part of the Services or on behalf of IBM pursuant to the terms of this Agreement (other than Records which have been returned to the Province by IBM), and such Records shall include those necessary to enable the Province to:

(i) verify that the Key Subcontractors have maintained complete and accurate Records as required by this Section,

(ii) verify that the Services were performed in accordance with the terms of this Agreement and Applicable Laws of Canada and British Columbia, and

(iii) ascertain the accuracy of all financial matters relating to the Services performed by the Key Subcontractor, provided that the Province's right to conduct Financial Audits as set out in Section 15.10 (*Financial Audit Rights*) shall not apply to Key Subcontractors.

Without limiting the generality of the foregoing, IBM shall ensure that all New Records with respect to the performance of the Services shall be in conformity with GAAP, the requirements of Applicable Laws of Canada and British Columbia. IBM shall maintain Province Records in accordance with the existing records management practices of the Province relating to the Administrative Records Classification System (ARCS) and Operational Records Classification Systems (ORCS), as set forth in the Core Policy Manual, as may be amended from time to time and notified by the Province to IBM.

15.2 Custody of Province Records.

IBM shall have Custody of the Province Records as from the date that Custody is granted to IBM by the Province (if applicable) or the date of the creation or coming into existence thereof, in accordance with and subject to the provisions of this Agreement; however, the Control of all such Province Records shall at all times remain with the Province.

15.3 Control of Province Records.

The Province Records shall remain the property and in the Control of the Province, and accordingly, they shall continue to remain subject to the requirements of the British Columbia *Document Disposal* Act (British Columbia), *Freedom of Information and Protection of Privacy Act* (British Columbia) and the *Interpretation Act* (British Columbia), each as amended from time to time. In addition, IBM shall:

(a) not sell, transfer to the physical custody of another jurisdiction or Person, destroy or otherwise dispose of the Province Records without the prior written approval and direction of the Province;

(b) not transfer the Province Records to any Person except as contemplated under this Agreement, and the provisions of Article 14 (*Privacy, Security and Confidentiality*);

(c) not under any circumstances, and without limiting the provisions of Article 14 (*Privacy, Security and Confidentiality*), use or disclose any Province Records except:

(i) on the prior written directions, or with the prior written consent, of the Province (which directions or consent may be given by the Province at any time, in its sole discretion, or in response to a written request from IBM specifying the particulars of proposed use or disclosure of such Records),

(ii) through the ordinary course provision of the Services as contemplated under the terms of this Agreement, or

(iii) as may otherwise be expressly permitted pursuant to the terms of this Agreement;

(d) return the Province Records to the Province on the written instructions of the Province or as may otherwise be required in accordance with the provisions of this Agreement;

(e) at the request and expense of the Province, provide written or electronic copies of such Province Records for storage on the premises of the Province or of any applicable regulatory body or agency, as the Province may require, at the expense of the Province provided that the Province shall not exercise its rights under this provision so as to prevent IBM from performing the Services, or any part thereof;

(f) maintain the safe keeping and integrity of the Province Records in accordance with the records protocols set forth in the Core Policy Manual and with the provisions of Article 14 (*Privacy, Security and Confidentiality*);

(g) permit the Province to have access to the Province Records, and to review and evaluate the Records on-site to ensure compliance with the provisions of this Agreement (and such access will be in accordance with the provisions of Section 15.17(a) and 15.17(b)(*General Principles Regarding Audit, Investigation and Inspection Rights*).

15.4 Return of Province Records.

As and when the Province Records, or any of them, are no longer required by IBM in the performance of the Services and as soon as practicable following the expiry or earlier termination of this Agreement, IBM shall deliver all such Province Records then in its Custody to the Province at the location and in the manner as directed by the Province. IBM shall, subject to the terms of Article 14 (*Privacy, Security and Confidentiality*), maintain sufficient copies of financial and other records as it is required to maintain for tax and other statutory reasons.

15.5 Costs of Record Keeping.

IBM acknowledges and agrees that all costs of record keeping contemplated in this Article 15 (*Maintenance of Records and Audit Rights*) shall, while the Province Records are in IBM's possession, unless otherwise specifically and expressly provided in this Agreement, be the responsibility of IBM, and that compensation to IBM in respect thereof is included in the Charges. For greater certainty, any Province Records delivered by IBM to the Province at the request of the Province or pursuant to Section 15.4 (*Return of Province Records*) shall thereafter be the responsibility (both financially and as to storage obligations) of the Province, unless such Province Records are returned to IBM in accordance with the provisions of this Agreement.

15.6 Disposal of Records.

IBM shall not dispose of Province Records. All Province Records shall be returned to the Province in accordance with Section 15.4 (*Return of Province Records*) of this Agreement. The Province will destroy any such Province Records if the Province determines it to be appropriate to do so.

15.7 Locations of Records.

Unless expressly provided otherwise in this Agreement:

(a) IBM shall maintain the Province Records contemplated by this Article 15 (*Maintenance of Records and Audit Rights*) in British Columbia at a location notified by IBM to the Province in writing;

(b) unless provided otherwise under this Agreement, IBM shall not relocate any such Province Records maintained pursuant to this Article 15 (*Maintenance of Records and Audit Rights*) without first notifying the Province, and shall not remove any Province Records to a location outside of British Columbia except as approved by the Province;

(c) at no time shall any Person have remote access to any Personal Information (including on any backup data) contained in the Province Records from any location outside of British Columbia except as expressly approved by the Province.

15.8 Storage Responsibilities.

The Province shall have the responsibility for off-site storage of Province Records, if applicable.

15.9 Access Rights.

During the Term, and for a period of seven (7) years after the end of the Term, upon reasonable prior written request of the Province, except where such prior notice is not required pursuant to the express provisions of Section 15.17(a) (*General Principles Regarding Audit, Investigation and Inspection Rights*) or any other express provisions of this Agreement, IBM shall provide the Province and its auditors and other authorized representatives of the Province with access to the following including, where applicable and practicable to do so, immediate electronic access, for purposes of performing the Operational Audits and investigations referred to in this Agreement:

(a) all the Records or Personal Information (if applicable) related to the Services then in the Custody of IBM, wherever maintained;

(b) any system that contains such Personal Information or Records related to the Services, wherever maintained; and

(c) those areas of the IBM Facilities at which the Services are being performed, where any such systems are housed, or where any such Personal Information or Records are maintained or stored.

The provisions of Section 15.17(b)(ii) (*General Principles Regarding Audit, Investigation and Inspection Rights*) shall apply in respect on any such access rights granted to the Province under this Section 15.9 (*Access Rights*).

15.10 Financial Audit Rights.

The Province may at any time and from time to time but no more frequently than annually, and subject to the provisions of Section 15.17 (*General Principles Regarding Audit Investigation and Inspection Rights*), engage IBM's external auditor (notwithstanding Section 15.17(e) (*General Principles Regarding Audit, Investigation and Inspection Rights*) to confirm any matter related to the financial aspects of this Agreement as set out in this Section 15.10 (*Financial Audit Rights*) to verify the accuracy of all charges to the Province, all Charges paid or payable by the Province including credits or reductions in respect of the same, and the accuracy of the Summary Financial Information provided by IBM for any Contract Year in accordance with **Schedule N** (*Summary Financial Information*). The Parties agree to follow a two-step audit right process in order to satisfy the Province's audit requirements as follows:

(a) **Step 1 – 9100 Audit.** The Province may undertake a Section 9100 Audit in accordance with the audit procedures set out under Section 9100 of the Canadian Institute of Charter

Accountants Handbook. In advance of conducting such an audit, the Province, and IBM's external auditor will agree on the objectives of the audit, the tests and procedures to be applied and the overall approach to the audit. The auditor will report to the Province the results of applying the agreed upon auditing tests and procedures to the Summary Financial Information specified in **Schedule N** (*Summary Financial Information*) in a manner consistent with the sample report attached as Exhibit 1 to **Schedule N** (*Summary Financial Information*) which, for certainty, the Parties acknowledge is to be used only as a guideline.

(b) **Step 2 – 5815 Audit**. If the results of the Section 9100 Audit do not provide the level of assurance required by the Province with respect to reporting the Cumulative Project Office Gross Profit Percentage up to and including the given Contract Year, or if the Province requires a further audit opinion on compliance with the Agreement, then the Province may undertake a Section 5815 Audit in accordance with the audit procedures set out under Section 5815 of the Canadian Institute of Charter Accountants Handbook. The auditor will report to the Province the result of the Section 5815 Audit in a manner consistent with the sample report attached as Exhibit 2 in **Schedule N** (*Summary Financial Information*) which, for certainty, the Parties acknowledge is to be used only as a guideline.

The Province shall pay the costs and expenses of the IBM external auditor when retained by the Province to conduct or assist with an audit under this Section 15.10 (*Financial Audit Rights*).

15.11 Audit, Investigation and Inspection Rights.

In circumstances where the Province genuinely believes (acting in good faith) that there has been or is about to be an Event of Termination regarding the requirements of this Agreement, some other act of misconduct or malfeasance, an emergency situation, or other similar matter of concern to the Province relating to the Services, the Province Records, or the Security Obligations, the Province shall have the right, at any time and without prior notice to IBM, to perform the audits, investigations or inspections described in this Article 15 (*Maintenance of Records and Audit Rights*). Notwithstanding the foregoing, nothing in this Section 15.11 (*Audit Investigation and Inspection Rights*) shall provide the Province with any right to inspect or access any IBM Confidential Information. The provisions of Section 15.17 (*General Principles Regarding Audit Investigation and Inspection Rights*) shall apply in respect on any such audit investigation and inspection rights granted to the Province hereunder.

15.12 Costs of Audits, Investigations and Inspections.

The Province shall pay the costs and expenses of such audits, investigations and inspections, except as otherwise provided in Section 15.19 (*Costs of Audits, Investigations and Inspections*). IBM shall not seek reimbursement from the Province of any costs incurred by IBM in connection with such audits, investigations and inspections, including the cost of the time and effort of IBM and its Personnel, Subcontractors and External Personnel to comply with the requests and requirements of such the Province or its representatives in respect thereof to the extent such assistance does not require the use of different or additional resources beyond that which IBM uses to provide the Services.

15.13 Operational Audit Rights.

The Province may appoint an internal or external auditor or other professional advisor at any time and from time to time, but subject to the provisions of Sections 15.15 (*General Audit Provisions*), 15.16 (*Costs of Audits*) and 15.17 (*General Principles Regarding Audit Investigation and Inspection Rights*), to

review routinely prepared records and reports to confirm or verify, in any Contract Year any matter related to the operational aspects of this Agreement and the Services to certify or verify:

(a) the integrity of the Province Records or Province Confidential Information;

(b) a security audit of processes of IBM to ensure compliance with the Security Obligations in order to verify the confidentiality and security of the Province Confidential Information;

(c) the security of the systems and processes utilized by IBM to confirm the compliance of IBM and ISM with the Security Obligations;

(d) the general controls, practices, and procedures utilized by IBM in connection with the Services performed;

(e) the accuracy of all reports provided by IBM to the Province (including supporting information and calculations from which such reports are complied);

(f) that the Services are being provided in accordance with the terms of this Agreement including the Service Levels and in accordance with all Applicable Laws of Canada and British Columbia, the Core Policy Manual and any applicable requirements of any regulatory body or authority having competent jurisdiction; and

(g) compliance with the requirements with respect to the Services Recovery Plan to be met by IBM.

15.14 Office of the Comptroller General.

The Office of the Comptroller General may conduct operational and other audits under the *Financial Administration Act* (British Columbia) or any other applicable statutory authority regarding the Services, the Charges paid by the Province to IBM, and the compliance by IBM with the requirements of this Agreement, and the Parties acknowledge that any such audit under this Subsection 15.14 (*Office of the Comptroller General*) may be separate and distinct from the audits contemplated in 15.13 (*Operational Audit Rights*) above.

15.15 General Audit Provisions.

In respect of the conduct of any audit by the Province, the Province agrees as follows:

(a) the auditors shall be qualified and trained to levels appropriate to conduct the audits being conducted;

(b) where terms of reference are prepared by the Province in respect of an audit, they shall be in accordance with the provisions of this Article 15 (*Maintenance of Records and Audit Rights*) and IBM will have an opportunity to review and provide the Province with comments on the same;

(c) the auditors will be requested to respect the scope and content of this Agreement in performing the audits hereunder; and

(d) where reasonably possible, IBM will have an opportunity to respond to the audit results before they are finalized.

15.16 Costs of Audits.

The Province shall pay the costs and expenses of any auditor or other professional advisor retained by the Province to conduct or assist with an audit under Section 15.13 (*Operational Audit Rights*), except as otherwise provided in Section 15.18 (*Deficiencies*), and IBM shall pay for and shall not seek reimbursement from the Province of costs incurred by IBM in connection with such audit, including the cost of the time and effort of IBM and its Personnel, to comply with the requests and requirements of such auditor or other professional advisor in respect of such audit to the extent such assistance does not require the use of different or additional resources beyond that which IBM uses to provide the Services.

15.17 General Principles Regarding Audit, Investigation and Inspection Rights.

In connection with the audit, investigation and inspection rights granted to the Province under Section 15.10 (*Financial Audit Rights*) and Section 15.13 (*Operational Audit Rights*):

(a) the Province shall cause all such audits to be performed expeditiously, during normal business hours and upon reasonable prior notice to IBM, which will normally be at least thirty (30) days other than audits, investigations or inspections where the Province genuinely believes (acting in good faith) that there has been or is about to be a material breach of the requirements of this Agreement, some other act of misconduct or malfeasance, or an emergency situation which may be performed at any time without notice;

(b) the Province shall, and shall cause its representatives to:

(i) use reasonable efforts not to hinder or interfere with the performance of the Services by IBM, and for greater certainty, the Province acknowledges that to the extent any such exercise of rights directly hinders or interferes with IBM's ability to deliver Services, then IBM shall not be responsible for non-performance or any resulting Service Level failures in respect thereof, and

(ii) comply with all security and other similar policies of IBM while at its premises, provided that IBM provides the Province with reasonable prior notice thereof, provided that nothing herein shall require that the Province or its auditors have access to IBM proprietary data or that of its other customers, or to IBM's or ISM's locations except as those portions used primarily to perform the Services to the extent required to audit compliance with Security Obligations as set forth in Subsection 15.13(b) and 15.13(c) (*Operational Audit Rights*);

(c) IBM shall, and shall cause its Personnel and Subcontractors to:

(i) cooperate with any such audits, investigations and inspections performed by the Province or its representatives in accordance with this Article 15 (*Maintenance of Records and Audit Rights*),

(ii) make available on a timely basis the routinely prepared Records and reports required for the Province or its representatives to conduct the audit as set out in this Article 15 (*Maintenance of Records and Audit Rights*), and

(iii) provide the Province and its representatives with reasonable assistance in obtaining access to such Records and Personnel, and to cause any Subcontractors

to provide the Province with access to the External Personnel, as may be reasonably requested to conduct the audits in accordance with this Article 15 (*Maintenance of Records and Audit Rights*); and

(d) audits may occur no more than once each calendar year, unless required to meet the provisions of Section 15.14 (*Office of the Comptroller General*);

(e) subject to any Financial Audits being conducted by IBM's External Auditor under Section 15.10 (*Financial Audit Rights*), the Province may request that a mutually agreeable third party auditor or other professional advisor perform the auditor at the Province's expenses on a noncontingent basis, provided such third party auditor or other professional advisor executes a confidentiality agreement reasonably acceptable to IBM; and

(f) the Province shall ensure that a copy of all audit, investigation and inspection reports are provided to the Joint Executive Committee in a timely manner.

15.18 Deficiencies.

If an audit demonstrates that IBM's invoices for the Services for the audited period were not correct, and IBM and the Province agree with such audit, IBM will promptly credit the Province for the amount of any paid overcharges, or the Province will promptly pay IBM for the amount of any undercharges.

Following delivery to IBM of an audit, investigation or inspection report that outlines Deficiencies of IBM, the Parties shall meet as soon as possible through the Governance Process in order to discuss such Deficiencies. If such report identifies the potential for any Deficiency, then IBM shall also provide through Governance IBM's assessment of the impact of the same. Subject to any alternative agreement reached between the Parties at such meeting, IBM shall as soon as reasonably possible (but in any event not more than thirty (30) days), develop and present a report outlining timely corrective action with respect to such Deficiencies or potential Deficiencies. Such report shall include a sufficient level of detail to allow the Province to assess the appropriateness of the proposed corrective action and plan, including a description of the Deficiency or potential Deficiency, the specific action to be taken and a specific implementation schedule including specific dates and Persons responsible for taking the corrective action. In connection therewith, the Parties acknowledge and agree that all such Deficiencies or potential Deficiencies that are not material in nature shall be remedied by IBM in the ordinary course of business, and that no Deficiency or potential Deficiency shall require or otherwise obligate IBM to perform Services that are outside the scope of this Agreement.

15.19 Cost of Audits, Investigations and Inspections.

Where an audit, investigation or inspection reveals any material Deficiency that was not otherwise notified by IBM to the Province through the reporting requirements set forth in this Agreement, or otherwise through the Governance Process, the reasonable costs of any follow-up audit undertaken by the Province specifically in connection therewith shall be borne by IBM. If the Parties disagree as to the occurrence of such a material Deficiency for purposes of this Section 15.19 (*Costs of Audits, Investigations and Inspections*), then the matter shall be deemed to be a Dispute and shall be settled in accordance with Article 24 (*Disputes*).

ARTICLE 16 – REPORTING

16.1 Reports to be Completed.

Attached hereto as **Schedule S** (*Reporting*) is the initial set of reporting and informational requirements agreed to between the Province and IBM. IBM shall prepare and deliver such reports to the Province as and when required from time to time as set forth in **Schedule S** (*Reporting*) or as otherwise agreed where circumstances may render necessary. The Parties acknowledge and agree that such reporting and informational requirements are expected to evolve over the Term to meet the requirements of the Province in respect of the management of its business and affairs. IBM shall provide suggestions to the Province as to improvements, enhancements and changes to the reporting and informational requirements for approval by the Province through the Governance Process. IBM and the Province acknowledge and agree that changes to reporting and informational requirements as contemplated in this Section 16.1 (*Reports to be Completed*) shall be implemented using the Change Order Process.

16.2 Format of Reports.

To the extent reasonably possible, the Parties shall use web enabled reports and direct electronic access to data and query reports to meet the recording and informational needs of the Province. The Parties agree to use reasonable efforts to minimize the amounts and types of paper based reporting.

16.3 Annual Review of Reporting Requirements.

The Parties shall conduct an annual review of the then current reporting requirements under this Agreement and shall consider any changes to the current reporting requirements as determined by the Parties, through the Change Order Process, to be appropriate or desirable.

ARTICLE 17 – CHANGE MANAGEMENT

17.1 Operational Change Management.

The Parties acknowledge and agree that the operations and activities of the Province, which are the subject of the delivery of the Services pursuant to this Agreement, are subject to changes in the ordinary course of such operations and activities which are within the scope of Services under this Agreement and do not result in additional Charges payable by the Province or result in access to or Custody of Personal Information by IBM (the "**Operational Changes**"). Operational Changes may be implemented without the need for formal Change Order. Notwithstanding the foregoing, the Parties shall cause a record of each such Operational Change to be maintained as contemplated in the Operational Change Management Process in the Process Interface Manual, and reported through the Governance Process on a monthly basis, or as otherwise mutually agreed by the Parties.

17.2 Change Order Process.

In addition to the Operational Changes, the Parties acknowledge that certain changes may be required or desirable which may have an impact on the delivery and performance of the Services and, in some cases, on the cost of providing the Services. Such changes may include, without limitation, the following:

(a) changes to the scope of the Services as described in this Agreement;

(b) changes to a Service Level;

(c) changes to the Services or the procedure, applications or technology used by IBM in performing the Services, that the Parties (or either of them) reasonably believe may result in IBM having access to or Custody of Personal Information; and

(d) any other matter that is subject to the Change Order Process under this Agreement or that the Parties may agree to as properly being the subject matter of a Change Order.

For greater certainty, an Operational Change shall not require a Change Order.

17.3 Initiating the Change Order Process.

Either Party may initiate the change order process (the "**Change Order Process**" to address the changes described in Section 17.2 (*Change Order Process*). The Province may initiate the Change Order Process by a Change Request submitted through the Joint Program Office, or by the Province Contract Manager or a person acting in the Province Contract Manager's place where the Province Contract Manager is not reasonably available. IBM may initiate the Change Order Process by a Change Proposal submitted though the Joint Program Office, or by the IBM Project Executive or a person acting in the IBM Project Executive's place, where the IBM Project Executive is not reasonably available.

17.4 Province Initiated Change.

The Province may initiate a request for any of the changes identified in Section 17.2 (*Change Order Process*) (such request, a "**Change Request**") by notice in writing to IBM in the form set forth in **Schedule U** (*Change Order Process Forms*), and such notice shall include all relevant information reasonably required for the proper consideration of such Change Request. Following the issuance of a Change Request from the Province to IBM, the following shall apply:

(a) the Parties shall meet together through the Joint Program Office to clarify the Change Request and confirm the requirement of the Change Request including details regarding the time and cost estimate relevant to consider such Change Request;

(b) IBM shall respond to the Province with a Change Proposal within ten (10) Business Days of receipt of the Change Request, or such other period of time as may be mutually agreed to between the Parties through the Governance Process, which response shall include:

(i) the rights and obligations of the Parties under this Agreement,

(ii) the Services,

(iii) the Service Levels,

(iv) any systems or operations of the Province or of any Clients or stakeholders of the Province to the extent reasonably know to IBM,

(v) the Charges payable under this Agreement, and

(vi) the other terms of this Agreement;

(c) upon receipt of the Change Proposal from IBM pursuant to clause (b) above, the Province shall provide IBM with a written response to the same within twenty (20) Business Days, or such other period of time as may be mutually agreed to between the Parties, indicating

the Province's acceptance of the same, or in the case of a rejection or counter proposal, the specific details thereof;

(d) any such Change Proposal approved by the Province shall constitute a Change Order, and shall be implemented by IBM in accordance with the particulars of the Change Order;

(e) IBM shall be required to respond to all Change Requests received from the Province and to prepare a Change Proposal. Where there are technical impediments that are commercially unreasonable to overcome, or implementation of the Change Request would adversely affect IBM's ability to meet the Service Levels, security requirements, or other terms and conditions of this Agreement, then IBM shall provide the Province with an explanation of the same, stating in reasonable detail the reasons why the proposed Change Request cannot be implemented or the negative impact of such Changes and proposing reasonable alternatives. In the event the Province requires that the Change be implemented as requested, the impact of the Change Request on Charges, and on Service Levels or other terms and conditions under this Agreement shall be addressed through the Governance Process. If a mutually acceptable resolution is not reached in respect of the proposed Change Request, then the matter shall be treated as a Dispute to be resolved pursuant to the dispute resolution procedure set out in Article 24 (*Disputes*).

17.5 IBM Initiated Change.

IBM may initiate the Change Order Process by notice in writing to the Province in the form of a Change Proposal ("**Change Proposal**") set forth in **Schedule U** (*Change Order Process Forms*), in which case the following shall apply:

(a) IBM shall prepare a Change Proposal which shall include all relevant information reasonably required for the proper consideration of such Change Proposal, including details regarding the impact which the proposed change is anticipated to have upon:

(i) the rights and obligations of the Parties under this Agreement,

(ii) the Services,

(iii) the Service Levels,

(iv) any systems or operations of the Province or of any Client Ministries to the extent reasonably known to IBM,

(v) the Charges payable under this Agreement, and

(vi) the other terms of this Agreement;

(b) the Parties shall meet together through the Joint Program Office to clarify the Change Proposal and confirm the requirement of the Change Proposal;

(c) upon receipt of a Change Proposal pursuant to clause (a) above, the Province shall provide IBM with a written response to the same within twenty (20) Business Days, or such other period of time as may be mutually agreed to between the Parties, indicating the Province's acceptance of the same, or in the case of a rejection or counter proposal, the specific details thereof;

(d) any such Change Proposals approved by the Province shall constitute a Change Order, and shall be implemented by IBM in accordance with the particulars of the Change Order;

(e) the Province will use reasonable efforts to accommodate a Change Proposal initiated by IBM, giving due consideration to relevant impacts on the Service Levels.

17.6 Change Request Impact on Charges.

Where a Change Request impacts Charges then the Parties agree that such impact on Charges shall be determined through the Governance Process and documented in the Change Order.

17.7 Implementation of Changes.

The Parties shall use reasonable efforts to minimize disruption to the delivery of the Services and to the business operations of the Province and the Client Ministries as the result of the implementation of a Change Order or an Operational Change. In particular, IBM shall ensure the implementation of a Change Order or an Operational Change shall not interfere with or disrupt the provision of the Critical Services. Operational Changes, whether resulting from a Change Order or otherwise, shall be implemented in accordance with the Operational Change Management Process.

17.8 Consequential Amendments to this Agreement.

If the Parties proceed with a Change Order, then the Change Order shall constitute an amendment to this Agreement including the relevant Schedules to this Agreement. From and after the effective date of the implementation of such Change Order, this Agreement shall be interpreted as amended by such Change Order, and this Agreement, as so amended, shall continue in full force and effect for the remainder of the Term.

17.9 Record of Changes.

The Parties shall jointly maintain an accurate and complete record of all changes to the Services including all Change Orders and related Change Requests and Change Proposals. Such record may be maintained in such form as the Parties may agree accessible by both Parties. Each Party shall cooperate to make such corrections to such records as the other Party may reasonably request to ensure such record of all changes is accurate and complete, in all material respects, at all times throughout the Term.

ARTICLE 18 – DEFAULT AND TERMINATION

18.1 Events of Termination.

The Province may elect to terminate this Agreement upon the occurrence of any one or more of the following events (each an "**Event of Termination**"):

(a) an Event of Insolvency in respect of IBM;

(b) if IBM ceases or threatens to cease to carry on business;

(c) any assignment of this Agreement by IBM contrary to the provisions of Section 27.2 (*Assignment by IBM*)

(d) subject to the provisions of Section 14.6 (*Privacy Obligations for Personal Information*), any disclosure of Personal Information by IBM or its Subcontractors pursuant to a Disclosure Order contrary to Subsection 14.7(b) (*USA Patriot Act*) where any director, officer or Manager of IBM or its Subcontractors authorizes, permits or acquires in such disclosure;

(e) any:

(i) disclosure of Personal Information (other than pursuant to a Disclosure Order) contrary to the *Freedom of Information and Protection of Privacy Act* (British Columbia); or

(ii) storing or allowing access to Personal Information outside of Canada or British Columbia contrary to the *Freedom of Information and Protection of Privacy Act* (British Columbia); or

(iii) using the Personal Information contrary to the permitted use thereof as per the terms of this Agreement and the provisions of the *Freedom of Information and Protection of Privacy Act* (British Columbia);

provided that before the Province exercises its right under Section 18.2 (*Remedies of the Province*) for any disclosure of Personal Information under this Subsection 18.1(e) (*Events of Termination*), the Province shall have regard to all of the surrounding circumstances, the nature and significance of the breach, whether such breach is an isolated occurrence and the bearing thereof on the significance of the breach;

(f) failing to report a disclosure of Personal Information under clause (d) or (e) above to the Province when required to do so under the terms of this Agreement;

(g) any matter that is described in the Schedules attached to this Agreement, or in this Agreement, as constituting an IBM "Event of Termination" including; or

(h) if IBM is in material breach of its obligations under this Agreement (other than a Service Level), and;

(i) the Province delivers a written notice of such material breach to IBM within ninety (90) days after the Event of Termination becomes known or ought reasonably to have become known, specifying the nature and approximate date of such breach;

(ii) IBM fails to deliver a cure plan within five (5) Business Days of its receipt of written notice from the Province of such breach or as otherwise mutually agreed by the Parties in writing; or

(iii) IBM fails to rectify such breach within thirty (30) days of its receipt of such written notice, and if not cured within such time, IBM fails to take steps reasonably satisfactory to the Province and use all reasonable and continuous effort to cure the same.

18.2 Remedies of the Province.

Without the requirement for recourse to legal process and without limiting any other rights or remedies that the Province may have at law, in equity, or as otherwise set forth in this Agreement, but subject to Section 22.9 (*Limitation of Liability*):

(a) upon the occurrence of an Event of Termination, the Province may:

(i) take such steps as may reasonably be necessary to cure such Event of Termination including, performing any Services or procuring or otherwise obtaining Services from an alternate service provider or providers during the period of time which the Event of Termination remains uncured, and IBM will reimburse the Province for any reasonable costs and expenses paid to such alternate provider for such Services, for the lesser of 180 days or the remainder of the Term, and

(ii) in addition to all other rights and remedies provided for in this Section, the Province may terminate this Agreement by delivery of a Termination Notice to IBM, in accordance with Section 18.7 (*Termination Notice*). The termination shall be effective on the date stated in the Termination Notice, provided that the effective date will be no later than 120 days after the IBM's receipt of such Termination Notice in which case, the provisions under the column "Termination for IBM Cause" of **Schedule O** (*Termination Fees*) shall apply;

and IBM acknowledges and agrees that, upon the occurrence of an Event of Termination, the Province may exercise any or all of, or any combination of, the remedies set forth above in this Subsection 18.2(a) (*Remedies of Province*);

(b) in addition to any other rights and remedies provided for in this Section, where such Event of Termination arises under Subsection 18.1(d) (*Events of Termination*) then IBM agrees that at the written request of the Province, it shall pay to the Province the sum of five million dollars ($5,000,000) by way of liquidated damages, and not as penalty, in respect of such disclosure of the Personal Information, and the Parties acknowledge and agree that such amount constitutes a genuine pre-estimate of the damages suffered by the Province as the result of such Event of Termination.

18.3 Termination for Chronic Failure.

The Province shall have the right, exercisable in its sole discretion, to terminate this Agreement in the event of a Chronic Failure in accordance with the provisions of Section 6.9 (*Chronic Failure*) of this Agreement.

18.4 Province Termination Event.

The Province shall be in material breach of its obligations under this Agreement, (a "**Province Termination Event**"), if the Province fails to pay when due, any amount payable by the Province to IBM pursuant to this Agreement that has not been subject to a Dispute in accordance with Section 12.7 (*Disputed Payments*), or any amount withheld in excess of the limits specified in Section 12.8 (*Withholding Payments*) and the Province fails to rectify such failure within thirty (30) days of its receipt of a written notice from IBM of such failure, such notice to state in reasonable detail the nature of the failure and the amount of the required payment. IBM may extend such thirty (30) day period, in its sole

discretion, for such additional period of time upon written notice of such extension to the Province. For greater certainty, nothing in this Section 18.4 (*Province Termination Event*) shall limit IBM's right to take legal action to enforce payment of undisputed outstanding Charges. Notwithstanding the termination of this Agreement by IBM as a result of a Province Termination Event, IBM shall provide the Province with Termination Services, as set forth in Article 19 (*Termination* Services), provided that prior to providing such Termination Services, IBM and the Province mutually agree upon payment terms for such Termination Services.

18.5 Remedies of IBM.

Without the requirement for recourse to legal process and without limiting any other rights or remedies that IBM may have at law, in equity, or as otherwise set forth in this Agreement, upon the occurrence of Province Termination Event, IBM may immediately terminate this Agreement by the delivery of a Termination Notice to the Province, in which case the provisions under the column entitled "Termination for Province Cause" of **Schedule O** (*Termination Fees*) shall apply.

18.6 Termination by Province for Convenience.

Subject to Section 18.8 (*Termination Fees*), the Province may terminate this Agreement for convenience (for any reason or for no reason) on not less than six (6) months prior written notice to IBM. The Termination Date shall be the Termination Date stated in the notice of termination, which date shall not be less than the six (6) months or greater than twelve (12) months from the date of the notice.

18.7 Termination Notice.

To be effective, any Termination Notice from one Party to the other under this Article 18 (*Default and Termination*) shall be delivered in writing within sixty (60) days after the later of the Event of Termination becomes known or ought reasonably to have become known to the Province, or the expiration of any applicable cure period, and shall specify the termination date (the "**Termination Date**"), the grounds of termination if applicable, reasonable particulars of the surrounding circumstances giving rise to the grounds of termination, and if the Party providing the Termination Notice is the Province, whether any Termination Services shall be required by the Province.

18.8 Termination Fees.

The responsibilities of the Parties for termination fees in connection with the expiration or termination of this Agreement are set out in **Schedule O** (*Termination Fees*) as follows:

(a) under the column entitled "Expiry" of **Schedule O** (*Termination Fees*) in the case of expiration of the Term of this Agreement;

(b) under the column entitled "Termination for Convenience" of **Schedule O** (*Termination Fees*) in the case of termination of this Agreement by the Province for convenience pursuant to Section 18.6 (*Termination by Province for Convenience*) of this Agreement;

(c) under the column entitled "Termination for Province Cause" of **Schedule O** (*Termination Fees*) in the case of termination of this Agreement by IBM for the default of the Province pursuant to Section 18.5 (*Remedies of IBM*) of this Agreement;

(d) under the column entitled "Termination for IBM Cause" of **Schedule O** (*Termination Fees*) in the case of termination of this Agreement by the Province for the default of IBM pursuant to Section 18.2 (*Remedies of the Province*) of this Agreement; and

(e) under the column entitled "No Fault" of **Schedule O** (*Termination Fees*), in the case of termination as expressly set forth in this Agreement as No Fault Termination.

ARTICLE 19 – TERMINATION SERVICES

19.1 Termination Services.

Commencing upon the delivery of any Termination Notice, or up to twelve (12) months before the expiration of the Initial Term or the Renewal Term, as the case may be, and ending upon the earlier of the completion of the Termination Services or six (6) months after the date of expiration or the Termination Date, as the case may be, (the "**Termination Assistance Period**"), IBM shall provide the Province with the following services to facilitate the orderly transition and migration of the Services to the Alternate Service Provider (collectively, the "**Termination Services**"):

(a) if the Province intends to consider the use of another third party service provider, upon the Province's request, assistance to the Province with respect to its describing the Services that will be the subject of a request for proposal, bid specification or similar document in respect of the Services (provided that if the Parties do not enter into a Renewal Agreement, or if the Province does not provide IBM with a notice of its intention to renew pursuant to Section 2.4 (*Renewal Option*), then IBM shall provide the Province with the services referred to in this clause immediately following a request therefore from the Province, notwithstanding that such request may be given by the Province earlier than the times referred to above in this Section);

(b) cooperation with and reasonable assistance to the Alternate Service Provider in order to facilitate the transfer of the Services to the Alternate Service Provider without any material interruptions or adverse effects;

(c) answers to all reasonable questions from the Alternate Service Provider regarding the Services;

(d) subject to applicable privacy laws, and IBM and ISM human resources policies and collective bargaining agreements then in effect, and subject to the consent of affected Personnel, a current listing of all employees of IBM or ISM who, during the 12 months prior to the termination date, spent at least 75% of his or her time working in connection with the performance of Services (excluding the IBM Project Executive) ("**Eligible Employees**"), a description of their roles and specific responsibilities in relation to the Services, whether such Personnel are on leave or are active in performing the Services, their compensation and whether any Personnel are subject to discipline warning procedures;

(e) assistance with the transition of Eligible Employees in accordance with the provisions of Section 19.6 (*Transfer of Personnel*), including the timing of offers to such employees by the Alternate Service Provider;

(f) assistance with the provision of mutually agreed knowledge transfer and, where agreed under a separate change order or statement of work, reasonable training for those Persons

of reasonable skill who are designated by the Province as assuming responsibility for the Services following expiry or the Termination Date;

(g) copies of Subcontracts and Key Subcontracts which on the date of expiration or termination of this Agreement were used solely in the performance of Services to the Province for which the Province is financially responsible in accordance with **Schedule O** (*Termination Fees*) and are to be assigned in accordance with Section 19.5 (*Transfer of Assets and Contracts*) of this Agreement;

(h) a list of Third Party Software licenced and used by IBM solely in the course of performing the Services and to be assigned to the Province in accordance with Section 19.5 (*Transfer of Assets and Contracts*) of this Agreement (the "**Third Party Software**");

(i) a copy of the Process Interface Manual (electronic or hard copy) describing the operating policies and interface points between the Parties in the performance of the Services, as described in **Schedule B-14** (*Common Services*);

(j) provide reasonable assistance with appropriate testing of the Province's transition and migration procedures;

(k) a list of the hardware owned by IBM which, on the date of expiration or termination of this Agreement, IBM is using on a dedicated basis to perform the Services and is subject to the provisions of Section 19.5 (*Transfer of Assets and Contracts*) of this Agreement, upon request by the Province;

(l) copies of the Statements of Work attached to and forming part of **Schedule B** (*Services*), which the Province may disclose to an Alternate Service Provider to the extent necessary for such Alternate Service Provider to receive and transition such Services, provided that such Alternate Service Provider shall have first executed a confidentiality agreement in form and content satisfactory to IBM (acting reasonably); and

(m) otherwise provide reasonable assistance and non-confidential information reasonably requested by the Province in order to enable the smooth transition of management of the applicable Services from IBM to the Alternate Service Provider.

Provided that nothing in this Section 19.1 (*Termination Services*) shall require IBM to disclose any IBM Confidential Information or other proprietary information of IBM to an Alternate Service Provider.

19.2 Termination Assistance Plan.

The Province shall develop with input from IBM as reasonably required, and deliver a mutually agreed to termination assistance plan for the transition of the Services from IBM to the Province or the Alternative Service Provider, as the case may be, in the manner set forth in this Article 19 (*Termination Services*). For purposes thereof, the Parties shall jointly develop the high level framework or strategy for the termination assistance plan within the first twenty-four (24) months following the Commencement Date. The framework for the termination assistance plan shall be reviewed by the Parties through the Joint Executive Steering Committee on an annual basis. Immediately upon the commencement of the Termination Assistance Period, the Province shall, in consultation with IBM and such other persons as necessary, commence in good faith and with all reasonable diligence to develop the complete termination assistance plan based upon the framework described above, and setting out in reasonable detail the

Termination Services requested of IBM, including the specific tasks to be accomplished by each Party and a schedule pursuant to which the tasks are to be completed, and shall, at a minimum, provide for the following:

(a) communications plans for Eligible Employees Personnel, Subcontractors and other interested parties;

(b) a plan relating to the making of offers of employment to Eligible Employees and the transitioning of employees who accept such offers of employment, and all related employee benefit arrangements;

(c) details of the reversion or transfer of the Personal Information, the Province Records, other Province Confidential Information, Province Intellectual Property and other materials and information to which the Province is entitled upon the termination or the expiry of this Agreement;

(d) a plan for the transfer of in-complete projects, if any;

(e) a plan for the transfer or assignment of applicable contracts and Third Party Software, and the purchase of hardware in accordance with Section 19.5 (*Transfer of Assets and Contracts*) below;

(f) employee knowledge transfer;

(g) any modifications to the Services to be provided during the Termination Assistance Period and the date or dates on which the provision of the Services or portions thereof are to be transferred to the Alternate Service Provider;

(h) any modifications to the Charges to take into account the planned reduction in Services and any increased or decreased costs associated with providing reduced Services over time (provided that in the case of an ordinary course expiry of the Term there shall be no reduction to such Charges prior to the expiry thereof and in the case of Termination for any other reason there shall be no reduction to such Charges prior to the Termination Date);

(i) processes, methods and timelines in respect of the delivery of the Termination Services; and

(j) the anticipated conclusion date for the completion of the Termination Services;

(collectively, the "**Termination Assistance Plan**").

The Parties agree to provide to each other reasonably sufficient information to create or update the Termination Assistance Plan as required in accordance with the terms of this Agreement. The Parties shall revise and update the Termination Assistance Plan from time to time during the Termination Assistance Period as may be reasonably necessary under the circumstances.

19.3 Quality of Services.

During the Termination Assistance Period IBM shall use reasonable efforts to meet the applicable Service Levels then in effect but shall not be responsible for payment of any Service Level Credits for failure to

meet the Service Levels. For greater certainty, IBM shall continue to provide the Services unless the Province requests the permanent or temporary discontinuation thereof (or a portion thereof), provided that the Province shall not make such requests prior to the effective Termination Date specified in a notice of Termination for Convenience or in the case of an ordinary course expiry of the Term.

19.4 Charges for Termination Services.

During the Term, IBM shall make reasonable efforts to provide the Termination Services in the ordinary course of its delivery of the Services using its then-existing Personnel dedicated solely to providing the Services under this Agreement at no additional cost or charge to the Province. If Termination Services will require the use of different or additional services or Personnel beyond that which IBM is then using to provide the Services in accordance with the Baselines and Service Levels, such request for Termination Services will be chargeable at Project Rates or such other rates as mutually agreed. After the Term, IBM will provide such Termination Services as documented in a Change Order, for the period of time requested by the Province which period will end no later than six months after the expiration date or the effective Termination Date. Any such Termination Services provided after the Term will be chargeable at the Project Rates or such other rates as mutually agreed in the Change Order.

19.5 Transfer of Assets and Contracts.

(a) The Province shall have the right as set forth in **Schedule O** (*Termination Fees*) to have Dedicated Third Party Contracts and Key Subcontracts, other than the ISM Key Subcontracts assigned to the Province or the Alternate Service Provider upon the Province's written request subject to:

(i) IBM's right to assign such Dedicated Third Party Contract;

(ii) the release of IBM from all contractual responsibility and liability under such Dedicated Third Party Contract or Key Subcontract; and

(iii) the Province's assumption of all contractual responsibility and liability under such Dedicated Third Party Contract or Key Subcontract.

(b) The Province will have the right or option, as specified in **Schedule O** (*Termination Fees*), to take an assignment of dedicated licenses to Third Party Software subject to:

(i) IBM's right to assign such contract,

(ii) the release of IBM from all contractual responsibility and liability under such contract,

(iii) the assumption by the Province of all contractual responsibility and liability under such contract, and

(iv) the Province's reimbursement to IBM of any initial, one-time license or purchase charges in an amount equal to the remaining unamortized value, if any, for such dedicated license to Third Party Software, depreciated over a five year life,

IBM shall, on the Termination Date, assign and transfer all rights and obligations of IBM with respect to those dedicated licenses for Third Party Software to the Province, if requested to do so by the Province in writing in respect of each Third Party Software, and

where such Third Party Software cannot be so assigned, then IBM shall, at the request of the Province, provide reasonable assistance to the Province or the Alternative Service Provider in procuring its own license for such Third Party Software or a suitable replacement therefore;

(c) The Province shall have the right or option, as specified in **Schedule O** (*Termination Fees*), to purchase the hardware owned by IBM which, on the date of expiration or termination of this Agreement, IBM is using on a dedicated basis to perform the Services upon request by the Province and payment to IBM at net book value or the fair market value for such hardware as specified in **Schedule O** (*Termination Fees*). Where any hardware is to be purchased at "fair value", such fair value shall be as determined by a mutually agreed appraisal paid for by the Province.

19.6 Transfer of Personnel.

The Province shall make or cause the Alternative Services Provider to make offers of employment to all Eligible Employees as specified in **Schedule O** (*Termination Fees*) the Termination Fee Grid and as required by Applicable Laws. Offers of employment made to all Eligible Employees shall be on such terms and conditions as are comparable to the terms and conditions of their employment with IBM or ISM, as the case may be. IBM shall, and shall cause ISM to, provide reasonable access to such Eligible Employees, subject to compliance with IBM and ISM human resources policies and subject to any obligations of ISM under collective bargaining agreements, and shall not interfere with the Alternative Service Provider's reasonable recruitment efforts. The Province and the Alternate Service Provider shall cooperate with IBM in the coordination of the timing of offers to such employees by the Alternate Service Provider in a manner that minimizes the impact on the performance of the Services.

19.7 IBM Severance Costs.

Except as expressly provided in Section 19.8 (*Province Severance Costs*), IBM shall be solely liable for any severance, termination or other payments which IBM or an Affiliate of IBM makes, or is required to make, to any of its employees or contractors.

19.8 Province Severance Costs.

With respect to any Eligible Employees who are employees of IBM as of the Termination Date, and who do not receive or do not accept offers of employment from the Province or Alternative Service Provider, IBM shall use reasonable efforts to redeploy such Eligible Employees who are IBM employees within IBM, or cause its ISM to use reasonable efforts to redeploy such Eligible Employees who are ISM employees within ISM. With respect to those Eligible Employees who do not receive or accept offers of employment from the Province or Alternative Service Provider and are not redeployed within IBM or ISM as set out above, the Province shall reimburse IBM for the severance pay paid to any such Eligible Employees in respect of termination of employment on a without cause basis, provided that:

(a) such Eligible Employees are terminated by IBM or ISM on a without cause basis within ninety (90) days of the date that offers of employment are extended by the Province or the Alternate Service Provider to any Eligible Employees, and if no such offers of employment are extended, then within sixty (60) days after the Termination Date;

(b) IBM or ISM has given written notice to the Province not less than fifteen (15) days in advance of the intended date of termination requesting reimbursement from the Province, such notice including the name of the Eligible Employees whose employment will be

terminated IBM or ISM (as the case may be), the proposed amount of severance, the position and responsibilities of the Eligible Employees and the number of years of employment with IBM or ISM, as the case may be (including any continued employment previously with the Province);

(c) the amount of the severance payable to any such terminated Eligible Employees shall be in accordance with the human resources policies of IBM or ISM (as the case may be), depending with whom the Eligible Employees are employed, or any applicable collective bargaining agreement;

(d) IBM or ISM has terminated the employment of such Eligible Employees and has paid the amount of severance pay to such terminated Eligible Employees within sixty (60) days of the termination of such Eligible Employees;

(e) IBM or ISM has provided evidence, as may be reasonably required by the Province or Alternate Service Provider as to such termination and of the payment of the amount of severance to such terminated Eligible Employees; and

(f) the Province shall pay IBM the amount of severance payable to IBM pursuant to this Section 19.8 (*Province Service Costs*) within thirty (30) days of the above conditions being satisfied.

19.9 Additional Termination Arrangements.

Without limiting the provisions of this Article 19 (*Termination Services*), including the Termination Services otherwise contemplated in this Article 19 (*Termination Services*), if this Agreement is Terminated for any reason by either Party, then IBM shall, effective on the later of the Termination Date, the last day of the Termination Assistance Period, or such other date as may be agreed to between the Parties or as otherwise contemplated in this Article 19 (*Termination Services*):

(a) peacefully leave and cause its Personnel and its Subcontractors to peacefully leave Province Facilities made available to IBM in connection with providing the Services under this Agreement, and return to the Province and cause its Personnel and Subcontractors Personnel to return all keys and access cards to such applicable facilities; and

(b) deliver to the Province all Province Confidential Information in whatever format, form, condition or media which are then in the possession or control of IBM, or, at the request of the Province, destroy any Province Confidential Information.

19.10 Equitable Remedies of the Province.

IBM acknowledges that the Province would suffer irreparable harm if IBM breached (or attempted or threatened to breach) its obligations to provide Termination Services to the Province in accordance with and pursuant to the terms of this Agreement. In such event, the Province may proceed directly to a court of competent jurisdiction without having to exhaust or utilize the dispute resolution procedures set forth in Article 24 (*Disputes*). If such court should find that IBM has breached (or attempted or threatened to breach) any such obligations, and that such breach (or attempted or threatened breach) will adversely impact the Province from successfully migrating the Services, then IBM shall not, without any additional findings of irreparable injury or other conditions to injunctive relief, oppose the entry of an appropriate

order compelling performance by IBM and restraining IBM from any further breaches (or attempted or threatened breaches) of its obligation to provide Termination Services hereunder.

ARTICLE 20 – GENERAL DUTIES AND OBLIGATIONS

20.1 General Duties and Obligations of Province.

The Province covenants and agrees with IBM that the Province shall:

(a) comply with the terms and conditions of this Agreement in every material respect and all Applicable Laws of Canada and British Columbia with respect to this Agreement. If any changes thereto should require a modification to the Services, or have a material adverse effect on the ability of IBM to perform the Services or the costs incurred by IBM in respect thereof, then such change shall be dealt with under the Change Order Process under Article 17 (*Change Management*);

(b) provide to such Persons duly authorized by IBM such access to properties of the Province as may be required to enable IBM to perform the Services under this Agreement; and

(c) advise IBM of any material information that the Province members of governance are aware of that could reasonably be determined to materially affect the delivery of the Services by IBM, subject to:

(i) such Persons not being restricted or otherwise prohibited from disclosing such information to IBM, and

(ii) failure of the Province to comply with this Subsection 20.1(c) (*General Duties and Obligations of Province*), using all reasonable efforts to do so, not being a basis upon which any action or inaction of IBM (including failure to comply with the terms of this Agreement) is excused.

20.2 General Duties and Obligations of IBM.

At all times during the Term and without limiting the other provisions set forth in this Agreement, IBM agrees to, and to cause its directors, officers, Personnel, Affiliates and Subcontractors to perform its obligations under this Agreement and to deliver the Services as follows:

(a) in compliance with all of the terms and conditions of this Agreement including, all other external documents incorporated by this Agreement;

(b) in a manner that is consistent with the Parties' objectives set out in Section 1.13 (*Objectives of the Parties*); and

(c) in a competent, efficient, diligent, prudent, honest and faithful manner that meets the Service Levels

20.3 Compliance with Applicable Laws.

At all times during the Term and in the performance of its obligations under this Agreement, IBM shall comply with and shall cause its Personnel and its Subcontractors to comply with, all Applicable Laws of Canada and British Columbia; provided that if any changes thereto should have a material adverse effect on the Services, the ability of IBM to perform the Services or the costs incurred by IBM in respect

thereof, then such change shall be dealt with under the Change Order Process under Article 17 (*Change Management*).

20.4 Compliance with Specific Laws.

The Parties acknowledge that they have taken reasonable efforts to cause this Agreement and the Services as described herein to be compliant with the specific laws set forth in Subsections 20.4 (a), (b) and (c) (*Compliance with Specific Laws*) below. Without limiting the foregoing Section 20.3 (*Compliance with Applicable Laws*), at all times during the Term, IBM shall comply with and shall cause IBM Personnel and Subcontractors to comply with the following provisions with respect specific Applicable Laws, in performing the Services:

(a) *Financial Administration Act.* The Province is required to comply with the requirements of the *Financial Administration Act* (British Columbia) and regulations made thereunder, regarding the maintenance of financial records, the reporting of financial results, and similar financial matters. The Parties shall use reasonable efforts to monitor changes to the legislation, make the other Party aware of any such changes, and work together with the other Party to identify the impact of such changes on the Services. IBM shall use reasonable efforts to comply with the requirements of the *Financial Administration Act* (British Columbia), to the extent such act would apply to the performance of the Services by the Province internally, and shall assist the Province as necessary to ensure the Province's compliance with the requirements of the *Financial Administration Act* (British Columbia) with respect to the performance of the Services. IBM shall, subject to the Change Order Process, take steps to ensure that the Services comply with all new requirements of the *Financial Administration Act* (British Columbia) from and after the Commencement Date, but only regarding information relating to the Province and its customers and not information related to IBM, its Affiliates or other customers;

(b) *Budget Transparency and Accountability Act.* The Province is required to comply with the requirements of the *Budget Transparency and Accountability Act* (British Columbia) and regulations made thereunder, regarding the maintenance of financial records, the reporting of financial results, and similar financial matters. The Parties shall use reasonable efforts to monitor changes to the legislation, make the other Party aware of any such changes, and work together with the other Party to identify the impact of such changes on the Services. IBM shall use reasonable efforts to comply with the requirements of the *Budget Transparency and Accountability Act* (British Columbia), to the extent such act would apply to the performance of the Services by the Province internally, and shall assist the Province as necessary to ensure the Province's compliance with the requirements of the *Budget Transparency and Accountability Act* (British Columbia) with respect to the performance of the Services. IBM shall, subject to the Change Order Process, take steps to ensure that the Services comply with all new requirements of the *Budget Transparency and Accountability Act* (British Columbia) from and after the Commencement Date, but only regarding information relating to the Province and its customers and not information related to IBM, its Affiliates or other customers;

(c) *Freedom of Information Legislation.* IBM acknowledges that the Province is subject to the *Freedom of Information and Protection of Privacy Act* (British Columbia), and the equivalent federal legislation, if applicable (collectively, the "***Freedom of Information Legislation***"), and that the Province may from time to time be required to provide information in accordance with the requirements of such legislation. IBM shall cooperate

with and assist the Province in complying with any orders or directives made by the Commissioner under or in contemplation of the Freedom of Information Legislation, any agreements or protocols relating to the administration of the Freedom of Information Legislation and any other requirements arising under such legislation with respect to Province Records. In performing its Services , IBM shall comply with all requirements of the Freedom of Information Legislation and any applicable policies and directives applicable to Personal Information, all to the extent applicable to IBM as a "service provider" within the meaning of the legislation; and

(d) *North American Free Trade Agreement.* IBM agrees on its own behalf, and on behalf of its Affiliates, successors and assigns) to waive any and all rights that it may have under the *North American Free Trade Agreement*, including, but not limited to, all rights under *North American Free Trade Agreement* Chapter Eleven. IBM specifically acknowledges and agrees that this waiver precludes any of IBM, or its Affiliates, Subcontractors and their respective successors or permitted assigns, from providing their consent to arbitration under *North American Free Trade Agreement* Article 1121 and from thereby commencing or assisting in any claim under Section B of *North American Free Trade Agreement* Chapter Eleven concerning any dispute arising out of or relating to this Agreement; and

To the extent either Party identifies any aspect of the Services as identified in this Agreement which causes the Services to be non-compliant with the foregoing Applicable Laws, the matter shall be addressed promptly through the Change Order Process in accordance with Article 17 (*Change Management*) of this Agreement.

20.5 Compliance with Core Policy Manual.

The Parties acknowledge that they have taken reasonable efforts to cause this Agreement and the Services as described herein to be compliant with the Core Policy Manual. The Province acknowledges that it has internal procedures in place for the purposes of meeting its obligations under the Core Policy Manual, and will use reasonable efforts to communicate to IBM any changes in that policy that have an effect on the Services or this Agreement. In addition, the Parties shall use reasonable efforts to monitor changes to the policy, make the other Party aware of any such changes, and work together with the other Party to identify the impact of such changes on the Services. IBM shall, subject to the Change Order Process, take steps to ensure that the Services comply with all new requirements of the policy from and after the Commencement Date. To the extent either Party identifies any non-compliance with the Core Policy Manual, the matter shall be addressed promptly through the Change Order Process in accordance with Article 17 (*Change Management*) of this Agreement. For greater certainty, any new policies delivered by the Province to IBM after the Commencement Date shall also be subject to the Change Order Process in respect thereof shall be addressed in the manner contemplated by Article 17 (*Change Management*).

20.6 Obtaining and Maintaining Licences and Permits.

At all times during the Term, IBM shall, obtain and maintain in full force and effect all licenses and permits issued by any Governmental Authority which are required for the proper performance of the Services and the completion of the transactions contemplated in this Agreement and the other Transaction Documents.

ARTICLE 21 – REPRESENTATIONS, WARRANTIES AND COVENANTS

21.1 IBM Representations and Warranties.

IBM represents, warrants and covenants as follows to the Province, as of the date of this Agreement and (except as otherwise noted) throughout the Term, and acknowledges and confirms that the Province is relying upon such representations, warranties and covenants:

Corporate Existence and Structure

(a) As of the Effective Date, IBM is a corporation duly incorporated and validly existing under the provisions of the *Canada Business Corporations Act* and is in good standing with respect to the filing of annual returns thereunder;

(b) As of the Effective Date, IBM is Corporately Controlled by IBM World Trade Corporation;

(c) IBM has, and throughout the Term shall maintain a registered office within the Province of British Columbia as required for extra provincial corporations under *British Columbia Business Corporations Act*;

Power and Capacity

(d) IBM has all necessary power, capacity and legal authority to enter into, execute and deliver this Agreement and the other Transaction Documents and to perform its obligations under this Agreement and the other Transaction Documents, and this Agreement and the other Transaction Documents have been or will be duly executed and delivered by IBM, and each constitutes or will constitute a legal, valid and binding obligation of IBM enforceable against IBM in accordance with its terms, subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforceability of creditors' rights, and to the fact that specific performance and injunctive relief are equitable remedies available only in the discretion of the court;

(e) IBM is not party or subject to any contract or other agreement that has a material adverse effect on, or otherwise prevents or materially impairs, IBM's ability to perform its duties and obligations under this Agreement, including the performance of the Services;

No Violation

(f) Neither the execution and delivery of the Transaction Documents, nor the compliance with the terms thereof by IBM:

(i) has resulted or will result in a violation of any Applicable Laws (but excluding therefrom the BCGEU Action),

(ii) has resulted or will result in a breach of, or constitute a default under, IBM's constating documents, any shareholders' agreement to which it is a party, or any shareholder or directors' resolutions, which would have a material adverse effect on IBM's ability to perform its obligations under this Agreement and the other Transaction Documents,

(iii) has resulted or will result in a breach of, or constitute a default under any instrument or agreement to which IBM is a party or by which IBM is bound, which would have a material adverse effect on IBM's ability to perform its obligations under this Agreement and the other Transaction Documents, or

(iv) requires the approval or consent of any Governmental Authority except such as has been obtained as of the date of this Agreement or has will have been obtained on or before the Commencement Date;

Permits and Approvals

(g) IBM holds, or will hold as of the Commencement Date and throughout the Term, all material permits, approvals, authorizations and consents that may be required from any Governmental Authority in order for IBM to perform its duties and obligations pursuant to the terms of this Agreement and IBM is, or at the Commencement Date will be, in good standing with respect to all such permits, approvals, authorizations and consents and none of the same contain, or will contain, any term, provision, condition or limitation which would materially adversely restrict the performance by IBM of its duties and obligations pursuant to the terms of this Agreement;

Litigation, Proceedings and Limiting Agreements

(h) As of date of this Agreement, there are no suits, actions, proceedings, judgments or orders outstanding or, to the knowledge of IBM, threatened against IBM or any of its assets by or before any court, tribunal, board or other Governmental Authority that would, if adversely determined, have a material adverse effect on, or otherwise prevent or materially impair, IBM's ability to perform its duties and obligations under this Agreement, other than the BCGEU Action;

(i) As of the date of this Agreement, there are no material labour actions, proceedings, grievances, judgments or orders outstanding or, to the knowledge of IBM, threatened against or affecting IBM by or before any court, tribunal, board or other Governmental Authority, which could have any adverse effect on IBM's ability to perform its obligations under the Transaction Documents;

Insolvency

(j) IBM is not insolvent, is able to pay its debts as they become due in the ordinary course of business, and the entering into of this Agreement and the other Transaction Documents and the performing of its obligations under this Agreement and the other Transaction Documents will not render IBM insolvent;

Miscellaneous

(k) All written materials provided by IBM to the Province in response to the JSRFP were to the best of IBM's knowledge and belief, true and correct at the time provided; and

(l) There has been no collusion or unlawful inducements, or any commissions, payments, kickbacks or similar extraordinary benefit granted to or received from any other Person with respect to the JSRFP, this Agreement, the delivery of the Services or anything related thereto.

21.2 Province Representations and Warranties

The Province represents, warrants and covenants as follows to IBM, as of the date of this Agreement and throughout the Term, and acknowledges and confirms that IBM is relying upon such representations, warranties and covenants:

(a) the Province has full power and authority to enter into, execute and deliver this Agreement and the other Transaction Documents, and to perform its obligations under this Agreement and the other Transaction Documents, and this Agreement and the other Transaction Documents have been or will be duly executed and delivered by the Province, and each constitutes or will constitute a legal, valid and binding obligation of the Province enforceable against the Province in accordance with its terms, subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforceability of creditors' rights, and to the fact that specific performance and injunctive relief are equitable remedies available only in the discretion of the court;

(b) neither the execution and delivery of this Agreement or of the other Transaction Documents, nor the compliance with the terms thereof by the Province:

(i) has resulted or will result in a violation of any Applicable Laws, or

(ii) requires the approval or consent of any Person or any Governmental Authority except such as has been obtained as of the date of this Agreement or has will have been obtained on or before the Commencement Date.

21.3 Service Volumes/Number of Seats.

IBM acknowledges and agrees that the Province makes no representation or warranty as to the nature, timing, quantity or volume of Services or number of Seats to be serviced by, or required from, IBM under this Agreement or the compensation that may be earned by IBM. IBM acknowledges and agrees that it has conducted its own due diligence prior to entry into this Agreement as to the services performed by the Province historically, and that the Province has advised IBM, and IBM is aware, that historic information with respect to the Services may not be representative of the future nature, timing, quality, quantity or volume of Services that shall be required by the Province.

Without representing the nature, timing, quantity or the volume of Services or the number of Seats to be serviced by, or required from, IBM under this Agreement, the Province acknowledges that, as of the Effective Date, all Client Ministries have indicated that they support the workstation services, and that they will receive such services from Solutions BC under the provisions of this Agreement. In order to encourage the continued participation and support of Client Ministries for the workstation services throughout the Term, the Province will require that Client Ministries be responsible for their proportionate share of any resulting costs to the Province should they be required to withdraw their support of the workstation services during the Term.

21.4 Disclaimer of Warranties.

Other than the representations and warranties expressly set forth in this Agreement, or as otherwise referenced in this Agreement, neither Party makes any representation or warranty, expressed or implied, statutory or otherwise (including implied warranties of merchantability of quality and fitness for a particular purpose), regarding any matter in connection with this Agreement.

ARTICLE 22 – INDEMNIFICATION AND LIMITATION OF LIABILITY

22.1 General Intent.

Both Parties agree that monetary damages may not be a sufficient remedy for any breach of this Agreement, and each Party shall be entitled to seek equitable relief, including injunctive relief and specific performance in the event of a breach of this Agreement, to the extent that such remedy is available to a Party in accordance with Applicable Laws. For greater clarification, the provisions of this Section are not intended to in any way interfere or otherwise limit the jurisdiction of any arbitrators appointed or otherwise engaged pursuant to the provisions of Article 24 (*Disputes*).

22.2 Indemnification by Province.

The Province shall indemnify and save harmless IBM and its Subcontractors and their respective directors, officers, employees, advisors, agents and representatives (the "**IBM Indemnified Parties**") to the fullest extent permitted by law, from and against any and all Claims suffered or incurred by any of them arising as a result of or in connection with any of the following (except and to the extent such Claims are suffered or incurred as a result of the comparative fault of the IBM Indemnified Parties):

(a) from the death of or bodily injury to any third party or any employee of IBM or its Affiliates to the extent caused by the negligent or willful misconduct of the Province;

(b) from the loss of or damage to any tangible personal property or real property of IBM or property of any third party to the extent caused by the negligence or willful misconduct of the Province;

(c) the failure of the Province to perform its obligations under any Assigned Contracts prior to the assignment thereof from the Province to IBM; and

(d) for the purposes of Subsections 22.2 (a) and (c) (*Indemnification by Province*), the term "Claims" shall be limited to:

(i) all damages that a court finally awards to a third party for such claim and any defence costs; or

(ii) subject to the provisions of Section 22.6 (*Third Party Claim Process*), the amount of any settlement agreed to by the Indemnified Party.

22.3 Indemnification by IBM.

Without duplication of any liquidated damages to be paid by IBM to the Province hereunder, IBM shall indemnify and save harmless the Province and its employees, advisors, agents and representatives (the "**Province Indemnified Parties**") to the fullest extent permitted by law, from and against any and all Claims are suffered or incurred by any of them arising as a result of or in connection with any of the following (except to the extent such Claims suffered or incurred as a result of the comparative fault of the Province Indemnified Parties):

(a) any third party Claim relating to the failure of IBM to perform its obligations under any license, lease or other agreement:

(i) between IBM and a third party, including Subcontractors and landlords (except to the extent that the liability arises as a result of or in connection with any Assigned Contract to the extent that such Claim arises from or relates to the period prior to the assignment thereof from the Province to IBM),

(ii) assigned by IBM to the Province or to the Alternative Service Provider in connection with Termination of this Agreement, but only with respect to any Claims that arise from or relate to the period prior to the assignment thereof by IBM to the Province or the Alternative Service Provider,

that arises as a result of the Province receiving Services under this Agreement;

(b) any third party Claim relating to the failure of IBM to perform its obligations under any Assigned Contracts after the assignment thereof from the Province to IBM;

(c) from the failure of IBM to pay and discharge any Taxes for which IBM is responsible pursuant to this Agreement and Applicable Laws, provided that nothing in this Agreement shall impose on IBM any obligation or liability with respect to any Taxes for which its Subcontractors may be responsible at law;

(d) gross negligence of IBM, its Personnel or its Subcontractors or External Personnel in connection with the performance Services;

(e) from the death of or bodily injury to any third party or to any employee of the Province to the extent caused by the negligent or willful misconduct of IBM, its Personnel or its Subcontractors or External Personnel in connection with the performance of the Services;

(f) from the loss of or damage to any tangible personal property and real property of the Province or any third party, to the extent caused by the negligence or willful misconduct of IBM, its Personnel or its Subcontractors or External Personnel in connection with the performance of the Services;

(g) from any claim, proceeding or action taken or initiated by an IBM Affiliate in breach of Subsection 20.4(d) (*Compliance with Specific Laws – NAFTA*), Article 24 (*Disputes*) or Section 32.13 (*Governing Law*).

(h) for the purposes of Subsections 22.3 (a), (b), (e) and (g) (*Indemnification by IBM*), the term "Claims" shall be limited to:

(i) all damages that a court finally awards to a third party for such claim and any defence costs; or

(ii) subject to the provisions of Section 22.6 (*Third Party Claim Process*), the amount of any settlement agreed to by the Indemnified Party.

For greater clarification, IBM shall not be required to indemnify the Province Indemnified Parties under this Section in respect of those Events of Termination for which the Parties have agreed to pay liquidated damages under the provisions of this Agreement.

22.4 IBM Intellectual Property Indemnification.

Subject to Section 22.6 (*Third Party Claims Process*), IBM shall indemnify and save harmless the Province Indemnified Parties from and against any and all Claims suffered or incurred by any of them arising as a result of, or in connection with, any actual or alleged infringement of the patents or copyrights of a third party or the violation of the rights of a third party in respect of its trade secrets by the Deliverables, any IBM Intellectual Property, any New Intellectual Property or any Modification to any IBM Intellectual Property, Province Intellectual Property or Third Party Intellectual Property, provided, used or made by IBM or any of its Subcontractors or Affiliates in the course of performing the Services (collectively, the "**IBM Indemnified Materials**"), provided that IBM shall have no liability under this Section for any Claims that arise as a result of:

(a) the Province's combination, operation, or use of the IBM Indemnified Materials with products or data not provided by IBM, or the use of any Software in other than their specified operating environment;

(b) a Modification made by the Province or any of its Subcontractors or Affiliates to the IBM Indemnified Materials;

(c) the use by IBM of any Province Intellectual Property or Third Party Intellectual Property provided to IBM by the Province, except to the extent that such infringement is caused by a Modification of the same made by IBM (or any of its Affiliates or Subcontractors);

(d) the compliance by IBM with any specification or standard specified by the Province if the infringement or violation would not have occurred but for compliance with that specification or standard; or

(e) any Claims in respect of which the Province is required to indemnify the IBM Indemnified Parties pursuant to Section 22.5 (*Province Intellectual Property Indemnification*).

For the purposes of this Section 22.4 (*IBM Intellectual Property Indemnification*), the term "Claims" shall be limited to:

(f) all damages that a court finally awards to a third party for such claim and any defence costs; or

(g) subject to the provisions of Section 22.6 (*Third Party Claim Process*), the amount of any settlement agreed to by the Indemnified Party.

Without limiting or otherwise restricting IBM's liability and obligations to the Province in respect of the foregoing, if the Province's use of any IBM Indemnified Materials provided or otherwise made available by IBM to the Province pursuant to this Agreement is found to be infringing the patents or copyrights of a third party or violating the trade secret rights of a third party or, in IBM's reasonable judgment is likely to be found to be infringing or in violation, then IBM may (at its option and expense), either procure for the Province the right to continue using such IBM Indemnified Materials, or replace or modify such IBM Indemnified Materials to make its continued use non-infringing while providing substantially the same functionality.

22.5 Province Intellectual Property Indemnification

Subject to Section 22.6 (*Third Party Claims Process*), the Province shall indemnify and save harmless the IBM Indemnified Parties from and against any and all Claims suffered or incurred by any of them arising as a result of, or in connection with, the actual or alleged infringement of the patents and copyrights of a third party or the violation of the rights of a third party in respect of its trade secrets by the Province Intellectual Property or any Modification made by the Province or any of its Subcontractors or Affiliates to any IBM Intellectual Property or Province Intellectual Property or Third Party Intellectual Property (collectively the "**Province Indemnified Materials**"), provided that the Province shall have no liability under this Section for any Claims that arise as a result of:

(a) a Modification made by IBM or any of its Subcontractors or Affiliates to the Province Indemnified Materials;

(b) the use by IBM of the Province Indemnified Materials to the extent that such infringement is caused by a Modification of the same made by IBM (or any of its Subcontractors or Affiliates);

(c) the use by IBM of any Third Party Intellectual Property provided to IBM by the Province, to the extent that such infringement is caused by a Modification of the same made by IBM (or any of its Subcontractors or Affiliates); or

(d) any Claims in respect of which IBM is required to indemnify the Province Indemnified Parties pursuant to Section 22.4 (*IBM Intellectual Property Indemnification*).

For the purposes of this Section 22.5 (*Province Intellectual Property Indemnification*), the term "Claims" shall be limited to:

(e) all damages that a court finally awards to a third party for such claim and any defence costs; or

(f) subject to the provisions of Section 22.6 (*Third Party Claim Process*), the amount of any settlement agreed to by the Indemnified Party.

Without limiting or otherwise restricting the Province's liability and obligation to IBM in respect of the foregoing, if use of any Province Indemnified Materials provided or otherwise made available by the Province to IBM pursuant to this Agreement is found to be infringing the patents or copyrights of a third party or violating the trade secret rights of a third party or, in the Province's reasonable judgment it is likely to be found to be infringing or in violation, then the Province may (at its option and expense), either procure for IBM the right to continue using such Province Indemnified Materials, or replace or modify such Province Indemnified Materials to make its continued use non-infringing while providing substantially the same functionality.

22.6 Third Party Claim Process.

(a) If a party (the "**Indemnified Party**") intends to seek indemnification under this Article from the other Party (the "**Indemnifying Party**") in respect of any third party Claims, then the Indemnified Party shall promptly give the Indemnifying Party written notice of such Claims for indemnification, such notice to be given as soon as practicable following the commencement of any action by a third party; provided, however, that the failure of an Indemnified Party to give the Indemnifying Party such prompt notice shall not relieve

the Indemnifying Party of its obligations under this Agreement, except to the extent that such failure results in a material prejudice to the Indemnifying Party's defence to such Claims;

(b) If the Indemnifying Party receives a notice of any Claim pursuant to paragraph (a) above, then:

(i) where the Indemnifying Party is the Province, then IBM may permit the Province to defend and control the defence of IBM against such Claim at the Province's expense and the Province will pay such costs, damages and legal fees that a court finally awards or are included in a settlement agreed to by the Province, as are in proportion to the Province's comparative fault in causing such amounts;

(ii) where the Indemnifying Party is IBM, then the Province may permit IBM to defend and control the defence of the Province against such Claim at IBM's expense and IBM will pay such costs, damages and legal fees that a court finally awards or are included in a settlement agreed to by IBM, as are in proportion to IBM's comparative fault in causing such amounts;

(iii) the Indemnified Party shall cooperate in all reasonable respects with the Indemnifying Party and its counsel in the defence, and may reasonably participate but, for greater clarification, not take control or conduct of such defence at its own expense through its separate legal counsel or otherwise; and

(iv) if the defendants in any such action include both the Indemnified Party and the Indemnifying Party, and the Indemnified Party shall have reasonably concluded that there may be legal defences available to it which are different from or additional to those available to the Indemnifying Party, then the Indemnified Party shall have the right to select separate counsel, the cost of which shall be at the Indemnified Party's expense, to assert such legal defences or to otherwise participate in the defence of such action on behalf of the Indemnified Party; and

(c) To the extent that the Indemnified Party has not permitted the Indemnifying Party to control its defence of the Claim pursuant to Subsection 22.6(b)(i) (*Third Party Claim Process*) or 22.6(b)(ii) (*Third Party Claim Process*) above, then the Indemnified Party shall not settle any Claim for which it may seek indemnification from the Indemnifying Party pursuant to this Section, without consultation with the Indemnifying Party. Notwithstanding such consultation, the Indemnified Party shall have the right to settle such Claim provided, however, that if the Indemnified Party has reached a *bona fide* settlement agreement with the plaintiff(s) in any such action and the Indemnifying Party disputes:

(i) the settlement amount; or

(ii) the proportion of the Indemnifying Party's comparative fault in causing such settlement amount,

(collectively, the "**Disputed Matters**")

then, the Disputed Matters shall be resolved in accordance with the provisions of Article 24 (*Disputes*) of this Agreement. For greater clarification, the Disputed Matters shall not

include the Indemnified Party's decision to settle any Claim. All settlements of Claims subject to indemnification under this Article 22 (*Indemnity and Limitation of Liability*) shall include an appropriate non-disclosure agreement with the plaintiff(s), prohibiting the disclosure of the terms of such settlement by the plaintiff(s).

22.7 Mitigation.

Each Party has a duty to mitigate the Claims that would otherwise be recoverable from the other Party pursuant to this Agreement by taking appropriate and reasonable actions to reduce or limit the amount of such Claims.

22.8 Limitation.

The Parties acknowledge and agree that Sections 22.2 (*Indemnification by Province*), 22.3 (*Indemnification by IBM*), 22.4 (*IBM Intellectual Property Indemnification*), 22.5 (*Province Intellectual Property Indemnification*) and 22.6 (*Third Party Claim Process*) contain the Parties entire liability with respect to third party Claims. For certainty, neither IBM nor its Subcontractors or Affiliates, or their respective employees, officers, and directors have any liability under this Agreement, regardless of the basis of the claim (including breach, negligence, misrepresentation, or other contract or tort claim), for claims for damages made against the Province by third parties, except for IBM's obligation to indemnify the Province pursuant to this Article 22 (*Indemnity and Limitation of Liability*).

22.9 Limitation of Liability.

(a) Subject to paragraphs (b) and (c) below, neither Party nor their respective Subcontractors, Affiliates, directors, officers, employees, or agents shall be liable for any special, incidental, punitive, indirect or consequential damages arising out of or in connection with the Services provided under this Agreement including, but not limited to, lost revenue, lost profits, replacement goods, loss of technology rights or services, loss of data, or interruption or loss of use of Software or any portion thereof, even if foreseeable or if IBM or the Province have been advised of the possibility of such damages, and regardless of the basis on which the other Party is entitled to claim (including breach, negligence, misrepresentation, or other contract or tort claim).

(b) The provisions of Subsection (a) above shall not exclude the following:

(i) consequential damages arising as a result of the wrongful disclosure of Province Confidential Information as a result of IBM's breach of its obligations pursuant to Section 14.8 (*Safeguarding Confidential Information*);

(ii) consequential damages arising as a result of the wrongful disclosure of IBM Confidential Information as a result of the Province's breach of its obligations pursuant to Section 14.8 (*Safeguarding Confidential Information*);

(iii) IBM's obligations to indemnify for third party Claims pursuant to Sections 22.3 (*Indemnification by IBM*) and 22.4 (*IBM Intellectual Property Indemnification*);

(iv) the Province's obligations to indemnify for third party Claims pursuant to Sections 22.2 (*Indemnification by Province*) and 22.5 (*Province Intellectual Property Indemnification*),

provided that a Party's entire liability for consequential damages as set out in this Subsection (b) shall not exceed five million dollars ($5,000,000) per occurrence and shall not exceed ten million dollars ($10,000,000) in the aggregate for all claims and causes of action (collectively, the "**Consequential Damage Cap**"). This Consequential Damage Cap shall apply to all Claims regardless of the form of action, whether in contract, tort (including negligence), strict liability, or otherwise.

(c) The provisions of Subsection (a) above shall not apply to the Province's failure to pay any amounts owing to IBM under this Agreement (including amounts owing for Services rendered or services that would have been rendered but for the Province's breach of this Agreement).

(d) Subject to Subsection (b) above, the entire liability of IBM (if any) to the Province, and that of its Subcontractors, Affiliates', employees', officers' and directors', relating to or arising from this Agreement, other than pursuant to the indemnities granted under Subsection 22.3(c) (*Indemnification by IBM Taxes*) and Section 22.4 (IBM *Intellectual Property Indemnification*) (the "**Excluded Claims**"), shall be limited to any actual, direct damages and shall not exceed sixteen million dollars ($16,000,000) which amount the Parties acknowledge represents the projected twelve (12) months average monthly Charges over the Term of the Agreement calculated as of the Effective Date (the "**Direct Damage Cap**"). This Direct Damage Cap shall apply (other than with respect to the Excluded Claims) irrespective of the nature of the cause of action, demand or action including any breach of contract, negligence, tort, misrepresentation, or any other legal theory. If and when the Direct Damage Cap is reached as a result of Claims, then the Parties may, subject to mutual agreement, increase the amount of the aggregate Direct Damage Cap for all claims and causes of actions, to an amount equal to twenty million dollars ($20,000,000), which amount the Parties acknowledge represents the projected fifteen (15) months average monthly Charges over the Term of the Agreement calculated as of the Effective Date, and if the Parties are unable to so agree within sixty (60) days of a request by one Party to the other to reset the amount of the Direct Damage Cap, then the Province shall be entitled to terminate this Agreement without payment of a termination fee, in which case, the provisions of Article 19 (*Termination Services*) shall apply.

(e) Each Party agrees that it shall not assert any Claims from the other Party until such Claims aggregate an amount equal to one hundred thousand dollars ($100,000), at which time, the Party seeking the Claims from the other (in accordance with the terms of this Agreement) shall be entitled to claim all such Claims.

(f) Notwithstanding the foregoing, liability to the Province in respect of lost data shall be limited to circumstances where data is lost solely as a result of IBM's negligence in the performance of the Services, and in such event, IBM's liability shall be limited to using reasonable efforts to restore such data from the last available back up.

(g) Notwithstanding the foregoing paragraphs, nothing in this Section shall entitle either Party to Claims in respect of amounts already paid to that Party pursuant to Section 6.11 (*Service Level Credits*) and **Schedule O** (*Termination Fees*).

ARTICLE 23 – INSURANCE

23.1 Insurance.

IBM shall procure and maintain at all times during the Term of this Agreement, at its own expense and without reimbursement from the Province, the following insurance policies which may be provided by way of an umbrella or excess policy and which shall be underwritten by insurers licensed to carry on insurance business in Canada:

(a) *Commercial General Liability.* Commercial general liability insurance protecting against Claims of bodily injury (including death) and property damage which may arise out of the performance of the Services by IBM of otherwise under this Agreement, in an amount not less than ten million dollars ($10,000,000) inclusive per occurrence. The policy(s) shall include coverage for non-owned automobile liability, personal injury liability, employer's liability, blanket contractual liability coverage, broad form property damage coverage and coverage for products and completed operations. The policy(s) shall contain a cross-liability clause, a waiver of subrogation in favour of the Province, and include the Province as an additional insured. The policy(ies) shall, within ten (10) Business Days after the Commencement Date, be endorsed to provide the Province with thirty (30) days prior written notice of cancellation; and

(b) *Errors & Omissions Liability.* Errors and omissions liability insurance protecting against Claims arising out of any error or omission by IBM in the provision of the Services, in an amount not less than five million dollars ($5,000,000). IBM shall, within ten (10) Business Days after the Commencement Date, deliver an undertaking of IBM's insurers to provide the Province with thirty (30) days prior written notice of cancellation.

23.2 Certificate of Insurance.

IBM shall provide the Province with evidence of all required insurance in the form of a Government of British Columbia Certificate of Insurance in the form attached as **Schedule Q** (*Form of Certificate of Insurance*) within fifteen (15) days after the Commencement Date, and upon the reasonable request of the Province from time to time but not more frequently than annually. IBM shall not cancel any of the required insurance policies set out or contemplated in this Article 23 (*Insurance)* without thirty (30) days prior written notice to the Province unless such cancelled insurance policy is replaced with a replacement insurance policy of the same kind and type, and in an equal or greater amount.

23.3 Adequacy of Insurance.

IBM acknowledges that any requirement for insurance under this Agreement shall not constitute a representation by the Province that the amount or type of insurance required is adequate, and IBM acknowledges and agrees that it is solely responsible for obtaining and maintaining its own policies of insurance in such amounts as IBM determines to be appropriate and adequate, subject to the minimum requirements set out in this Article 23 (*Insurance*).

ARTICLE 24 – DISPUTES

24.1 Informal Dispute Resolution.

In the event of any Dispute, the Parties shall use reasonable commercial efforts to settle such Dispute internally and shall consult and negotiate with each other in good faith in an effort to reach a fair and

equitable solution satisfactory to both Parties. The Parties shall attempt to resolve any Dispute (which for the purpose of this Article includes any failure by the Parties to reach agreement regarding any matter in connection with this Agreement, as follows:

(a) either Party may deliver to the other a written notice (the "**Dispute Notice**") setting forth in reasonable detail the particulars of the Dispute;

(b) the members of the Joint Program Office shall meet as often and as promptly as the Parties deem necessary in good faith in an effort to resolve the Dispute;

(c) if the Joint Program Office has not resolved the Dispute within five (5) Business Days (or such other period of time as may be mutually agreed) after the delivery of the Dispute Notice, then the Dispute shall be referred to the Joint Executive Steering Committee for resolution. The Joint Executive Steering Committee shall meet as often and as promptly as they may reasonably deem necessary in an effort to resolve the Dispute;

(d) if the Joint Executive Steering Committee has not resolved the Dispute within ten (10) Business Days (or such other period of time as may be mutually agreed) after the delivery of the Dispute Notice, then the Dispute shall be referred to the Executive Sponsors for resolution. The Executive Sponsors shall meet as often and as promptly as they may reasonably deem necessary in an effort to resolve the Dispute;

(e) during the course of discussions of the Joint Program Office, the Joint Executive Steering Committee or the Executive Sponsors, all reasonable requests made by one Party to another for non-privileged information, reasonably related to the Dispute, shall be honoured in order that each of the Parties may be fully apprised of the other's position. The specific format for such discussions shall be decided by mutual agreement of the Parties, but may include the preparation of agreed-upon statements of fact or written statements of position. Notwithstanding the foregoing, either Party may abbreviate the resolution discussion period and escalate the same to the next level if they reasonably believe that the Dispute cannot be resolved at that level regardless of the amount of time afforded to them;

(f) if the Executive Sponsors have not resolved the Dispute within twenty (20) Business Days (or such other period of time as may be mutually agreed) after the delivery of the Dispute Notice, then the Dispute shall be referred to mandatory mediation. If the Parties are unable to agree upon a mediator within five (5) days after the referral of the Dispute to mandatory mediation, then either Party may request that the ADR Institute of Canada, Inc. appoint a mediator. Any mediator so appointed shall be deemed to be accepted by the Parties. The mediation shall be conducted at a time, in a city and a specific location agreed by the Parties with the mediator, or if the Parties cannot agree, as designated by the mediator. The mediation shall be held within five (5) days after the mediator is appointed. If any Party has substantial need for information from another Party in order to prepare for the mediation, the Parties shall use reasonable efforts to agree on procedures for the formal exchange of information. Each Party shall be represented in the mediation by at least an individual with authority to settle the Dispute on behalf of that Party and, if desired by that Party, by counsel for that Party. The Parties' representatives in the mediation shall continue with the mediation as long as the mediator reasonably requests, but in no event longer than thirty (30) days after the appointment of the mediator. Unless otherwise agreed by the Parties, each Party shall pay one-half of the mediator's fees and expenses and shall bear all of its own expenses in connection with

the mediation. No Party may employ or use the mediator as a witness, consultant, expert, or counsel regarding the Dispute or any related matters and all communications during or in connection with the mediation shall be deemed "without prejudice" and such communications shall not be admissible in any arbitration or court;

(g) if the Dispute has not been resolved in accordance with the procedure set forth in this Section 24.1 (*Informal Dispute Resolution*), then either Party may refer the Dispute to binding arbitration in accordance with Section 24.2 (*Arbitration*).

24.2 Arbitration.

Subject to Section 24.4 (*Exceptions to Dispute Resolution Procedure)*, any Dispute that is not resolved in accordance with Section 24.1 (*Informal Dispute Resolution*) above shall be determined by arbitration. There shall be three arbitrators. The place of arbitration shall be Victoria, British Columbia. The arbitration shall be conducted in accordance with the National Arbitration Rules of the ADR Institute of Canada, Inc. (the "**Rules**"), as those Rules may have been amended, superseded or replaced at the time the arbitration is commenced and in accordance with the Commercial Arbitration Act (British Columbia), save and except as otherwise expressly provided in this Section 24.2 (*Arbitration*). The following terms shall apply to any arbitration:

(a) neither Party may refer the dispute for arbitration until the earlier of:

(i) the mediator's written conclusion that resolution of the dispute through continued mediation is unlikely,

(ii) 30 days after the first day that the Parties meet to commence mediation, or

(iii) 30 days before the limitations period governing any such cause of action relating to such Dispute would expire;

(b) no person may be appointed as an arbitrator unless that person is independent of each Party and is not directly or indirectly involved in a business being carried on by a competitor of either party, and the Parties shall use reasonable efforts to select arbitrators that have experience in complex, commercial outsourcing engagement and are skilled in the subject matter of the Dispute, and the third arbitrator who shall act as chair shall be a judge or lawyer with at least ten (10) years experience and experience as an arbitrator in commercial disputes;

(c) judgment upon the award rendered in any such arbitration may be entered in any court having competent jurisdiction;

(d) each party shall pay its own costs and expenses, and the arbitrators' remuneration and expenses and any administration fees ("**Arbitration Costs**"), shall be subject to final apportionment by the arbitrators;

(e) the arbitrators shall make their final award with respect to the matters determined in the award, within 60 days after the hearings have been closed or such further period as may be agreed to in writing by the Parties, or be directed by a court of competent jurisdiction. Awards shall be in writing and shall, unless the parties otherwise agree, state the reasons upon which they are based;

(f) notwithstanding anything to the contrary in the *Commercial Arbitration Act* (British Columbia) or the Rules:

(i) the same procedural requirements and rights of discovery as available under the British Columbia Rules of Court shall apply, *mutatis mutandis*, (except that the arbitrators may make adjustments as to time limits);

(ii) the laws and rules of evidence applicable in the courts of British Columbia shall apply, and the arbitrators may only require the production of relevant documentary and testimonial evidence not protected by the solicitor-client or other recognized legal privileges; and

(iii) an arbitrator must adjudicate the matter before the arbitrator by reference to law in accordance with Section 23 of the *Commercial Arbitration Act* (British Columbia), including the precedent of other court decisions, statutory laws, and laws of interpretation, as would be followed by the court, and the Parties expressly agree that the matter shall not be decided on equitable grounds, grounds of conscience or some other basis;

(g) The arbitrators will have no power or authority to grant any award or permit any other recourse that would be precluded by the terms of the Agreement including, without limitation, an award for damages that would be in excess of any limitation of liability in the Agreement or a claim that would otherwise be time barred by the terms of the Agreement as construed under the law applicable to the Agreement; and

(h) either Party may appeal any question of law arising out of the award to the court.

24.3 Confidentiality.

All mediation or arbitration proceedings shall be conducted in private. All offers of settlement occurring in connection with any mediation, or otherwise in pursuit of settlement of any Dispute, shall, unless the parties otherwise agree in writing, be "without prejudice", and evidence of any such offers of settlement shall not be admissible in any court proceeding or arbitration. All materials, statements, communications, offers of settlement, and documents produced or disclosed during the course of a mediation or arbitration, and all decisions and awards shall at all times be Confidential Information, provided that a party may disclose any award and any part of the evidence or record in any arbitration in any court to the extent that it is necessary to do so for the purposes of enforcing, appealing or seeking to set aside the award. If such disclosure is necessary, the party making disclosure shall use reasonable efforts to obtain court orders preserving and protecting confidentiality. Nothing in this Section shall preclude disclosure of any information to a party's insurer, auditor, lawyer, expert witness, regulator or other person with a financial interest or as may otherwise be required to comply with Applicable Law.

24.4 Exceptions to Dispute Resolution Procedure.

Subject to the *Crown Proceedings Act*, the provisions of Sections 24.1 (*Informal Dispute Resolution*) and 24.2 (*Arbitration*) shall not be construed to prevent a Party from:

(a) seeking a temporary restraining order or injunctive or other equitable relief, including an order declaring the rights of the Parties instead of injunctive relief, with respect to a breach (or attempted breach) of this Agreement by the other Party; or

(b) instituting litigation or other formal proceedings to the extent necessary:

(i) to enforce arbitration awards or orders for injunctive or other similar relief;

(ii) to avoid the expiration of any applicable limitations period, or

(iii) to preserve a position with respect to other creditors.

(c) defending any law suits involving third parties.

24.5 Continuity of Services.

The Parties each acknowledge that the timely and complete performance of its obligations pursuant to this Agreement is critical to the business and operations of the Province. Accordingly, in the event of a Dispute:

(a) IBM shall continue to so perform its obligations and to deliver the Services under this Agreement in good faith during the resolution of such Dispute; and

(b) subject to Section 12.8 (*Withholding Payments*), the Province shall continue to pay all Charges payable to IBM hereunder in good faith,

unless and until this Agreement is terminated or expires in accordance with its terms and conditions.

ARTICLE 25 – CRITICAL SERVICES AND FORCE MAJEURE

25.1 Critical Services.

The Services described in Exhibit A to the attached **Schedule X** (*Services Recovery*), under the column headed "Critical Day 1" are critical services ("**Critical Services**") to the Province. Except as otherwise expressly contemplated in this Article 25 (*Critical Services and Force Majeure*) or as agreed otherwise through the Change Order Process, IBM shall perform and provide the Critical Services throughout the Term.

25.2 Services Recovery Plan.

Within ninety (90) days after the Commencement Date, IBM shall prepare and submit to the Province a services recovery plan (the "**Services Recovery Plan**") in accordance with the provisions of **Schedule X** (*Services Recovery*). IBM shall incorporate any changes as may be reasonably required by the Province into the Services Recovery Plan taking into account the nature of the Services. From time to time as the Province may reasonably request or as IBM shall determine to be necessary or desirable in light of the circumstances, IBM shall prepare and provide to the Province copies of any amendments, modifications or supplements to the Services Recovery Plan as may be made in accordance with the Change Order Process from time to time, or as the Province may otherwise reasonably request.

25.3 Labour Disruption Plan.

IBM shall or shall cause ISM to prepare and review with the Province, on or before the Commencement Date, an interim labour disruption contingency plan addressing the procedure and strategy to be followed by IBM and ISM, as applicable, in the event of any labour disruption during the Term (the "**Labour Disruption Plan**"). IBM shall, or shall cause ISM to review and update the Labour Disruption Plan on or before March 31, 2005, in consultation with the Province, and thereafter within twelve (12) months prior

to the expiry of any collective bargaining agreement between IBM and the BCGEU. IBM shall incorporate any changes as may be reasonably requested by the Province into the Labour Disruption Plan taking into account the nature of the Critical Services. From time to time as the Province may reasonably request or as IBM shall determine to be necessary or desirable in light of the circumstances, IBM shall review the Labour Disruption Plan with the Province including any amendments, modifications and supplements to the Labour Disruption Plan as may be made by IBM or ISM from time to time.

25.4 Labour Disruption.

In the event of an occurrence or probable occurrence of a Labour Disruption preventing or delaying the performance of the obligations of IBM under this Agreement, IBM shall promptly notify Province by telephone, or such other expedient means as required in the circumstances, of the particulars of the Labour Disruption including reasonable details of the nature of the Labour Disruption, its expected duration and the obligations of IBM under this Agreement that will be affected by such Labour Disruption, and shall continue to furnish reasonable reports with respect thereto to the Province on a timely basis during the continuance of such Labour Disruption. In respect of such notice, IBM may leave a voicemail message with the Province if necessary, provided that any voicemail message shall not be deemed to be notice until actual voice contact is made, and IBM shall follow-up with written notice within three (3) Business Days of any verbal contact. Prior to claiming a Labour Disruption, IBM shall use any and all commercially reasonable efforts to prevent or avoid such Labour Disruption.

25.5 Force Majeure Events.

A "**Force Majeure Event**" means the occurrence of an event or circumstance beyond the reasonable control of a Party that interferes with, delays or prevents performance of the obligations of a Party under this Agreement, provided that the non-performing Party is without fault in causing or failing to prevent such occurrence, and such occurrence cannot be circumvented through the use of reasonable alternative sources, work around plans or other similar means (including, with respect to IBM, by IBM using all reasonable efforts to meet its Service Recovery Plan obligations described in **Schedule X** (*Services Recovery*). Subject to the foregoing, a "Force Majeure Event" shall include the following:

(a) explosions, fires, floods, earthquakes, catastrophic weather conditions or other elements or nature or acts of God;

(b) epidemics;

(c) acts of war (declared or undeclared), acts of terrorism, insurrection, riots, civil disorders, rebellion or sabotage;

(d) failures or fluctuations in electrical power or telecommunication services or other similar public utilities;

(e) Labour Disruptions; and

(f) other events which the Parties expressly agree in writing as constituting a "Force Majeure Event".

25.6 Notice of Force Majeure Event.

If either Party is prevented from, or delayed in performing any of its obligations under this Agreement as a result of a Force Majeure Event, then the Party claiming the Force Majeure Event shall promptly notify

the other Party by telephone, or other expedient means as required in the circumstances (which does not include, for greater certainty, leaving a voice mail message). That Party shall also provide the other Party with a follow up written notice within five (5) Business Days of such Party becoming aware of the non-performance or delay, of the particulars of the Force Majeure Event including reasonable details of the nature of the event, its expected duration and the obligations under the Agreement that will be affected by the event. The Party claiming the Force Majeure Event shall continue to furnish reasonable reports with respect thereto to the other Party on a timely basis during the continuance of the Force Majeure Event.

25.7 Mitigation of Force Majeure Event.

Where a Party becomes aware of the occurrence of an event, condition or circumstance that could reasonably be expected to cause such Party to claim a Force Majeure Event, then that Party shall use reasonable efforts to prevent or avoid such event, condition or circumstance developing into a Force Majeure Event. Failing prevention of the occurrence of such Force Majeure Event by the use of such efforts, the Party claiming the Force Majeure Event shall, during the continuance of such Force Majeure Event, use reasonable efforts to mitigate and minimize the effect of such Force Majeure Event, to reduce and minimize any ensuing delay or interruption in the performance of its obligations under this Agreement, and to recommence performance of its obligations under this Agreement whenever and to whatever extent possible without delay. For greater certainty, where a Force Majeure Event affects performance of the obligations of both Parties under this Agreement, then both Parties may claim the same Force Majeure Event for purposes of this Article 25 (*Critical Services and Force Majeure*). For clarity, this Section 25.7 (*Mitigation of Force Majeure Event*) does not affect IBM's obligation to provide Services recovery as set forth in **Schedule X** (*Services Recovery*) provided that such Force Majeure Event does not also prevent IBM from providing such Services recovery. Notwithstanding the foregoing, IBM shall not be relieved of its obligations under Section 25.8 (*Consequences of Force Majeure Event*).

25.8 Consequences of Force Majeure Event.

During the occurrence of a Force Majeure Event, the obligations of the Party claiming the Force Majeure Event, to the extent that its obligations cannot be performed directly or indirectly or are delayed as a result of such Force Majeure Event, shall be suspended, and such Party shall not be considered to be in breach or default under this Agreement, for the period of such occurrence. The suspension of performance shall be no greater in scope and of no longer duration than is reasonably required to adjust for effects of the Force Majeure Event. No obligation of either Party that existed prior to the Force Majeure Event causing the suspension of performance shall be excused as a result of the Force Majeure Event, unless such obligation is a continuing obligation, the performance of which is affected by the Force Majeure Event. To the extent that IBM is unable to restore the Services, or any part thereof promptly, IBM use its best efforts, at its own expense, to procure or otherwise obtain alternate services from a qualified Person in replacement for or substitution of the affected Services during the period of time such Force Majeure Event remains in effect. If a Force Majeure Event:

(a) substantially prevents, hinders, or delays IBM's performance of any discrete Service for more than ninety (90) days, then the Province may terminate that discrete Service that is affected by the Force Majeure Event, on a no-fault basis, by providing IBM with written notice of termination to IBM and paying the proportion of termination costs set out in the column entitled "No-Fault" of **Schedule O** (*Termination Fees*) attributable to the discrete Service; or

(b) substantially prevents, hinders, or delays IBM's performance of all the Critical Services, the Province may terminate this Agreement, on a no-fault basis, by providing IBM with a

written notice of termination and paying the termination costs set out for a "No-Fault" in **Schedule O** (*Termination Fees*).

During the Force Majeure Event, the Province will continue to pay the Charges for the Services as set out in **Schedule F** (*Charges*), provided that where the Force Majeure Event substantially prevents, hinders, or delays IBM's performance of the Services for longer than five (5) days, then the Parties may mutually agree on a proportional payment reduction. In determining whether such a reduction is appropriate, the Parties shall act reasonably, with due consideration for the actions that IBM is taking to attempt to restore any or all Services and any interim service arrangement, and with a view to fulfilling the intent of continuous payment. For certainty, where IBM has procured or otherwise obtained alternate services in replacement for or substitution of the affected Services during the period of time such Force Majeure Event remains in effect, there shall be no reduction of the Charges.

25.9 Establishing a Force Majeure Event.

The Party claiming that an event of Force Majeure has occurred shall bear the burden of proving the existence of such event of Force Majeure and the consequences of such event.

25.10 Extension for Force Majeure Event.

Should there be a Force Majeure Event which interrupts the provision for the Services by IBM to the Province, then the Term of this Agreement shall be automatically extended by one calendar month for each calendar month (or partial calendar month that is five (5) Business Days or longer) of such interruption.

ARTICLE 26 – SUBCONTRACTORS ORGANIZATIONAL STRUCTURE

26.1 Responsibility for Subcontractors.

IBM is the general contractor for the Services and remains responsible for all of its obligations under this Agreement, regardless of whether IBM relies upon any Subcontractor to any extent. IBM's use of Subcontractors for any of the Services shall in no way increase IBM's rights or diminish IBM's liabilities to the Province with respect to this Agreement, and in all events, except as otherwise expressly provided for in this Agreement, IBM's rights and liabilities under this Agreement with respect to the Province shall be as though IBM had itself performed such Services. IBM shall be liable for any defaults or delays caused by any Subcontractor in connection with the Services as if such defaults or delays were caused by IBM. IBM shall be fully liable for all actions and omissions of the Subcontractors in the performance of the Services. If a Key Subcontractor breaches a subcontract, or is alleged to have breached a subcontract, which could have a material affect on the delivery of the Services or the performance of IBM's obligations under this Agreement, then IBM shall notify the Province in writing and provide the Province with such information relating to the alleged breach as the Province may reasonably request.

26.2 Inconsistent Subcontract Terms.

The terms of this Agreement shall in all events be binding upon IBM regardless of, and without regard to, the existence of any inconsistent or contrary terms in any agreement between IBM and any Subcontractor whether or not and without regard to the fact that the Province may have directly and/or indirectly had notice of any such inconsistent term.

26.3 General Contract Terms (Subcontractors).

All Subcontracts entered into by IBM with Key Subcontractors shall include the following provisions:

(a) adherence by the Key Subcontractor to the applicable obligations of IBM in the same manner as provided in this Agreement including, without limitation, the Service Levels, confidentiality obligations, intellectual property provisions, applicable reporting, audit and access rights (for greater certainty, such rights must directly provide for the Province to be able to exercise its rights under this Agreement in respect of the Key Subcontractor as if such Key Subcontractor was instead IBM), and Privacy Obligations if and when applicable in accordance with the provisions of Section 14.6 (*Privacy Obligations For Personal Information*);

(b) assignment of intellectual property rights to IBM or licenses to IBM in respect of any intellectual property created in such relationship, and waiver of moral rights in respect of the same, to the extent required by IBM to comply with its obligations under this Agreement;

(c) obligations regarding compliance with Applicable Laws of Canada and British Columbia, as applicable to the Key Subcontractor and to the extent related to the performance of the subcontracted Services, including source deductions and remittances (including for taxes, workers compensation and similar requirements);

(d) assignment rights to the Province or an Alternate Service Provider upon the termination or expiry (if applicable) of this Agreement, without any further consent from the Key Subcontractor or any additional, accelerated or other similar payments having to be made, provided that this Subsection 26.3 (d) shall not apply to the ISM Key Subcontract;

(e) any other provisions necessary for IBM to fulfill its obligations under this Agreement.

26.4 Subcontractor Monitoring.

During the Term, IBM shall:

(a) monitor the performance of Subcontractors and promptly address and remedy any applicable performance issues;

(b) address and remedy any performance issues or disputes with Subcontractors in a manner which minimizes any adverse impact on the quality or delivery of the applicable Services; and

(c) ensure that the Key Subcontractor has and maintains effective business continuity plans.

26.5 Non-Disclosure Documents.

IBM shall not disclose or provide access to any Province Confidential Information to Key Subcontractors until such Key Subcontractors have agreed in writing to assume confidentiality obligations consistent with this Agreement. The Key Subcontractors shall not disclose Province Confidential Information to the External Personnel until such External Personnel have agreed in writing to assume such confidentiality obligations.

26.6 Confidentiality Breaches.

Without limiting the other obligations set forth in this Agreement, any breach of the confidentiality obligations set forth in this Agreement by a Subcontractor or any External Personnel of such Subcontractor, shall be deemed to constitute a breach of the confidentiality provisions of this Agreement. In the event of any breach of confidentiality obligations by a Subcontractor or any External Personnel of a Subcontractor, the Parties agree as follows:

(a) in the event that either Party discovers that a breach of confidentiality by a Subcontractor or any External Personnel of a Subcontractor has occurred, it shall promptly notify the other Party in writing;

(b) IBM shall take all steps to remedy or to have remedied such breach;

(c) IBM shall develop and inform the Province of any remedial plans to remedy or otherwise deal with such breach; and

(d) if the Province agrees in writing to such remedial plan, and IBM carries out the plan, then the Province shall not be entitled to terminate this Agreement solely on the basis of the Key Subcontractor's breach of confidentiality, failing which the Province shall be entitled to rely on its rights of termination under this Agreement.

26.7 Confidentiality Re Assigned Contracts.

For Subcontracts which are Assigned Contracts, IBM shall:

(a) use reasonable efforts to enforce existing provisions in such Assigned Contracts; and

(b) not, without the Province's prior approval, reduce or eliminate existing provisions with respect to confidentiality.

26.8 Copies of Extracts.

IBM shall deliver to the Province, on the Commencement Date copies of extracts from the Key Subcontracts confirming that each of the Key Subcontractor's agreement to comply with the obligations of Sections 14.3, 14.8 and 26.3 of this Agreement as applicable which shall be certified by an officer of IBM. the Province has not reviewed or been given copies of the Key Subcontracts, and it is IBM's responsibility to enter into Key Subcontracts that are consistent with the requirements of the Agreement with respect thereto, and the terms of the Agreement shall be binding upon IBM regardless of any inconsistent or contrary terms contained in any Key Subcontract, whether or not and without regard to the fact that the Province may have directly and/or indirectly (through the certified extracts of the Key Subcontracts or otherwise) been given notice of any such inconsistent or contrary terms. Following termination or expiry of this Agreement for any reason, as part of the Termination Services, IBM shall provide the Province with full and complete copies of any such Subcontracts that the Province intends to assume or have an Alternate Service Provider assume, subject to the Province's and any Alternate Service Provider's agreement to maintain such Subcontracts in confidence.

26.9 Consent to Use of Subcontractors.

Except as set forth in Section 26.10 (*Exception*) below, IBM shall not use any Key Subcontractors for the provision of Services or other obligations performed under or in respect of this Agreement unless IBM

obtains the prior approval of the Province, such approval not to be unreasonably withheld or delayed. Any request for approval of a Key Subcontractor shall include information regarding the components of the Services affected, the scope of the proposed subcontract, the identity and qualifications of the proposed Key Subcontractor, whether the proposed Key Subcontractor is an Affiliate of IBM, the foreign ownership of the proposed Key Subcontractor (if any), and the reasons for subcontracting the work in question.

26.10 Exception.

The Province hereby acknowledges and expressly consents to the use of ISM, Microserve, and Tecnet as Key Subcontractors in the performance of the Services.

26.11 Province Criteria for Key Subcontractors.

In considering a request for the approval of a Key Subcontractor under the provisions of Section 26.9 (*Consent to use of Subcontractors*) above, the Province shall consider the reputation, financial stability, qualifications, applicable experience, ability, direct and indirect ownership and availability of the Key Subcontractor, and the extent to which the Key Subcontractor could or would have access to any Personal Information, the purpose of such access, and the use thereof by (and by any External Personnel of) the Key Subcontractor.

26.12 Removal of Subcontractor.

In the event that the Province determines, acting reasonably, that:

(a) The Province has severed all other relationships with such Key Subcontractor due to the wilful misconduct, fraud or other forms of malfeasance by such Key Subcontractor and the continued use of the Key Subcontractor will therefore have a detrimental effect on the Province; or

(b) the risk of compliance with a Disclosure Order is increased as a result of a Key Subcontractor ceasing to be a Canadian Entity;

then the Province shall give IBM notice thereof (and specifying in detail the reasons therefore) through the Joint Executive Steering Committee, requesting that such Key Subcontractor be replaced. Promptly following receipt of such notice, IBM shall investigate the matters stated in the notice and discuss its findings with the Province through the Joint Executive Steering Committee. If requested to do so by the Province (acting reasonably), IBM shall (within the timeframe specified by the Province after consultation with IBM in respect of such timeframe) remove any access that the Key Subcontractor may have to any Province Confidential Information and Personal Information (if applicable and to the extent reasonably possible while still performing the Services) pending completion of IBM's investigation and discussions with the Province. If, following such discussions with IBM through the Joint Executive Steering Committee, the Province reaffirms, acting reasonably, its request for the replacement of such Key Subcontractor, then IBM shall within ninety (90) days (or such different period of time as may be agreed to between the Parties through the Joint Executive Steering Committee having regard to all of the surrounding circumstances) of such reaffirmation, replace such Key Subcontractor with a new Key Subcontractor of suitable qualifications, or shall perform the applicable Services directly.

26.13 Other Business with Subcontractors.

Nothing contained in this Agreement shall prohibit or otherwise restrict the Province from entering into agreements or other arrangements with any Subcontractor in respect of matters that are not within the scope of, or otherwise related to, this Agreement.

26.14 Suppliers.

IBM may enter into supplier contracts in respect of the Services with such suppliers as IBM may select which for greater certainty excludes Subcontracts and Assigned Contracts, in which case, the following shall apply:

(a) all costs and expenses of such supplier contracts shall be the sole responsibility of IBM, including any termination costs and penalties;

(b) IBM shall ensure that the suppliers are reputable and qualified; and

(c) subject to Section 6.12 (*Relief*) IBM shall not be relieved of any of its obligations in respect of the performance Services under this Agreement as a result of any supplier contracts with any suppliers.

IBM shall monitor the performance of its suppliers and shall promptly address and remedy any performance issues or disputes in a manner which has minimizes any adverse impact on the nature, quality or delivery of the Services.

ARTICLE 27 – ASSIGNMENT

27.1 Assignment by Province.

The Province may assign at any time, in its sole discretion, and without the consent of IBM but upon reasonable prior written notice, this Agreement to any government, public sector or Crown entity, body or authority.

27.2 Assignment by IBM.

IBM shall not assign, either directly or indirectly, this Agreement or any rights, duties, obligations or interests of IBM under this Agreement, without the prior written consent of the Province, which consent may be given or withheld in the sole and absolute discretion of the Province. For the purpose of this Agreement, the following shall be deemed to be an assignment:

(a) the amalgamation of IBM, other than amalgamations with IBM Affiliates that do not cause a change in the Corporate Control of IBM, to which this Section 27.2 (*Assignment by IBM*) does not apply;

(b) an assignment by operation of law (but not including assignments by operation of law as a result of amalgamations permitted under paragraph (a) above);

(c) a sale of all or substantially all of the assets or undertaking of IBM; or

(d) a change in the direct Corporate Control of IBM, other than a change in the direct Corporate Control of IBM where IBM continues to be a Canadian Entity, and continues

to be under the Corporate Control of an Affiliate of IBM, to which this Section 27.2 (*Assignment by IBM*) does not apply.

Notwithstanding the foregoing, the Province will not unreasonably withhold its consent to an assignment of this Agreement, in its entirety, to an IBM Affiliate (the "**Designated Affiliate**") provided that at the time of such assignment:

(e) IBM has assigned its then existing outsourcing agreements with any Person to the Designated Affiliate;

(f) the Designated Affiliate is a Canadian Entity;

(g) the Designated Affiliate shall be IBM's primary entity for contracting and performing all of IBM's outsourcing services in Canada;

(h) the Province shall be reasonably satisfied that the Designated Affiliate is of sound financial condition; and

(i) the Designated Affiliate shall assume, in writing (in form and substance reasonably satisfactory to the Province), the rights and obligations of IBM under this Agreement.

Notwithstanding the foregoing, in the event of an assignment of this Agreement by IBM to the Designated Affiliate, IBM shall not be released from any of its obligations or liabilities under this Agreement.

Any attempt by IBM to assign this Agreement or any of IBM's rights, duties, obligations or interests under this Agreement contrary to this Section, shall be null and void and without effect, and shall constitute an Event of Termination of this Agreement under Section 18.1 (*Events of Termination*) giving rise to the right of the Province to terminate this Agreement. For greater clarification, at no time shall the Province consent to any assignment where such assignment could in any manner expose any Personal Information to any increased risk of disclosure contrary to the terms of this Agreement.

ARTICLE 28 – CONTRACTUAL RELATIONSHIP

28.1 Relationship of the Parties.

Except as otherwise expressly set forth in this Agreement:

(a) nothing in this Agreement shall be construed to grant IBM any right to act as an agent for or on behalf of the Province, including with respect to the Client Ministries or any other third parties; and

(b) IBM has no authority to bind, and shall not bind or purport to bind, the Province with respect to any such parties or other third parties as to the performance of the Services or any matter relating thereto without the express and prior approval of the Province.

28.2 No Partnership or Joint Venture.

This Agreement establishes and shall only be construed as establishing a contract between unrelated business entities for the provision of certain services and does not and shall not be construed or deemed to create or constitute a partnership or joint venture relationship between the Parties. Each Party hereby expressly disclaims any intention to create a partnership or a joint venture or to constitute the other Party

as its agent (except as expressly provided in this Agreement) with respect to the subject matter hereof. Each Party shall be independently and solely responsible for all obligations arising in connection with its own employees (including any obligations incumbent upon such Party as an employer such as the payment of benefits and the withholding and remittance of applicable source deductions in respect of its employees).

28.3 Conflict of Interest.

At no time during the Term shall IBM or its Personnel directly or indirectly engage in any activity, business or undertaking that could create a conflict of interest or perceived conflict of interest with the Province in respect of any Services. Where IBM becomes aware of any act, omission or event that could be construed as creating a conflict of interest or a perceived conflict of interest in respect of the Services, or where IBM is uncertain as to whether or not a conflict of interest or a perceived conflict of interest could exist in a particular situation, IBM shall immediately advise the Province of the same and abide by any direction given by the Province in respect thereof, except where IBM disagrees with such direction from the Province, in which case such matter shall be deemed to be a Dispute. The Province retains the right to prohibit any Person (including any Subcontractor or supplier to IBM) from taking any action, delivering any Services or otherwise participating in any manner with respect to the Services or this Agreement where the Province determines acting reasonably, in its sole opinion, that such Person's current or past corporate or other interests may give rise to a conflict of interest in connection therewith. Any determination or direction by the Province in respect of this Section 28.3 (*Conflict of Interest*) shall be based upon such information as the Province, in its sole discretion, determines to be relevant.

28.4 Code of Conduct.

IBM shall at all times comply, and shall cause its Personnel to comply, with the IBM Business Conduct Guidelines, a copy of which shall be reviewed with the Province, upon reasonable request, provided that IBM shall not be required to review such document more frequently than once in each Contract Year.

28.5 Province's Conflict of Interest Policy.

IBM represents, warrants and covenants that none of its shareholders or employees has given, and nor will they give, any commissions, payments, kickbacks, lavish or excessive entertainment, or other such inducements of more than minimal value in any form to any employee or agent of the Province in connection with this Agreement. IBM acknowledges that the giving of any such inducements or gifts is strictly in violation of the Province's policy on conflicts of interest, and may result in the cancellation by the Province, acting reasonably, of this and all future contracts between the Parties. IBM acknowledges that it has read the Province's policy on conflicts of interest and it agrees that it shall abide by such policy during the Term, as such policy is revised from time to time upon reasonable notice to IBM.

ARTICLE 29 – PROVINCE SHARED INFRASTRUCTURE

29.1 Ownership and Control of Province Shared Infrastructure.

The Parties acknowledge that IBM may require access to and use of the Province Shared Infrastructure to support the delivery and performance of the Services as contemplated in this Agreement. In connection therewith, IBM acknowledges that:

(a) the Province Shared Infrastructure shall at all times be owned, operated and maintained by the Province or on behalf of the Province by a third parties;

(b) IBM has no ownership or other interest in the Province Shared Infrastructure other than the rights of access to, and use of, the Province Shared Infrastructure granted to IBM under this Article 29 (*Province Shared Infrastructure*) for purposes of delivering and performing the Services in accordance with this Agreement; and

(c) subject to the rights of IBM specifically set out in this Article 29 (*Province Shared Infrastructure*) and otherwise in this Agreement, the Province shall have control of, access to and use of the Province Shared Infrastructure, and the control of the operation and maintenance of the Province Shared Infrastructure including changes, modifications and upgrades thereto, without requirement for consent of or approval from IBM (provided that, if any of the foregoing should have an adverse impact on IBM, then the Province shall deal with the same through the Change Order Process).

29.2 Use of Province Shared Infrastructure.

The Province will make available to IBM such access to and use of the Province Shared Infrastructure as is required by IBM to deliver and perform the Services in accordance with this Agreement, such access and use to be available for the period commencing on the Commencement Date to and including the Termination Date (the "**Shared Infrastructure Use Period**"). Subject to the other provisions of this Article 29 (*Province Shared Infrastructure*), the Province shall make available to IBM such access to and use of the Province Shared Infrastructure without any fee or payment from IBM except as expressly set forth in **Schedule E** (*Shared Infrastructure*), which fee or payment represents a reasonable apportionment of actual costs.

29.3 Restrictions on Access and Use.

The right of IBM to access and use the Province Shared Infrastructure shall be subject to the following:

(a) IBM shall have access to and the use of the Province Shared Infrastructure only during the normal hours of operation of the Province Shared Infrastructure during which the Province Shared Infrastructure is generally available to the users of the Province Shared Infrastructure or as mutually agreed by the Parties. The Province may change and modify such hours of operation from time to time in its sole discretion provided that:

(i) the Province Shared Infrastructure shall be available for use for a reasonable number of hours during each Business Day and at reasonable hours as may be required to support the delivery and performance of the Services,

(i) such change or modification of the hours of operation shall apply generally to users of the Province Shared Infrastructure and not apply only or principally to IBM, and

(ii) any decrease in the hours of availability of the Province Shared Infrastructure shall be made through the Change Order Process;

(b) in exercising its right of access to or use of the Province Shared Infrastructure, IBM shall:

(i) not alter, change, damage or remove any equipment, data or information comprising part of the Province Shared Infrastructure, and

(ii) following each exercise of access to or use of the Province Shared Infrastructure, leave the Province Shared Infrastructure in substantially the same condition as existed prior to access to or use of the Province Shared Infrastructure by IBM,

except with the prior written consent of the Province;

(c) IBM shall access and use the Province Shared Infrastructure only for the purpose of delivering and performing the Services in accordance with this Agreement, and for no additional, ancillary or other purpose unless specifically authorized in writing by the Province;

(d) IBM acknowledges that the Province relies upon the Province Shared Infrastructure to deliver a number of critical services. IBM shall advise the Province of any intended reduction or increase in use of the Province Shared Infrastructure as soon as IBM is reasonably aware of the same including any determination by IBM to discontinue all or partial use of the Province Shared Infrastructure.

29.4 Ordinary Course Changes to the Province Shared Infrastructure.

The Province, in its sole discretion and from time to time, may make changes, modifications or upgrades to the Province Shared Infrastructure or to discontinue use of any portion of the Province Shared Infrastructure in the ordinary course of operations without requirement for the consent or approval of IBM and without prior notice to IBM, provided such changes do not materially affect IBM's cost or access to and use of the Province Shared Infrastructure by IBM for the delivery and performance of the Services in accordance with this Agreement. If as a result of any such change in the ordinary course of operations, IBM is required to make non-material changes, modifications or upgrades to its Systems and operations in order to continue to have access to and use of the Province Shared Infrastructure, IBM shall be solely responsible for making all such changes, modifications or upgrades and for all costs thereof to IBM.

29.5 Material Changes to the Province Shared Infrastructure.

IBM acknowledges and agrees that the Province may make changes, modifications or upgrades to the Province Shared Infrastructure or to discontinue use of any portion of the Province Shared Infrastructure from time to time in the sole discretion of the Province, without requirement for the consent or approval of IBM notwithstanding such change may have a material effect or impact on IBM's cost or the access to and use of the Province Shared Infrastructure by IBM, provided that:

(a) subject to IBM implementing any changes, modifications or upgrades to its systems and operations, IBM will continue to have access to and use of the Province Shared Infrastructure to the extent that the Province Shared Infrastructure continues to be operated by the Province; and

(b) the Province shall give reasonable prior written notice to IBM of the details of such material change to the Province Shared Infrastructure including the analysis of the Province as to the effect and impact of such change, modification or upgrade on the access to and use of the Province Shared Infrastructure by IBM in the delivery and performance of the Services pursuant to this Agreement.

Where such material change, modification or upgrade to the Province Shared Infrastructure may be reasonably expected to require IBM to change, modify or upgrade its systems or operations in order to continue to have access to and use of the Province Shared Infrastructure in the manner contemplated in this Article 29 (*Province Shared Infrastructure*), the Province shall provide the notice of such material change contemplated to IBM sufficiently in advance of the implementation of such change, modification or upgrade so as to afford IBM a reasonable opportunity to make the required changes, modifications and upgrades to its systems and operations. IBM shall be solely responsible for making all such required changes, modifications and upgrades and the Province shall be responsible for all reasonable costs incurred by IBM (at IBM's cost) in such amount as to be determined in accordance with the Change Order Process. For greater certainty, the Province may discontinue use of any portion of the Province Share Infrastructure pursuant to this Section where any managed applications of IBM running on the Province Shared Infrastructure adversely impact other users of the Province Shared Infrastructure, including, without limitation, where any managed applications of IBM cause process loops, runaway jobs or other extreme load conditions.

29.6 Payments from IBM.

In the event IBM is required by this Article 29 (*Province Shared Infrastructure*) to make any payment to the Province including in respect, the Basic Infrastructure Amount of the Province, the following shall apply:

(a) The Province may, by written notice to IBM, waive the payment of any amount due and payable to the Province in whole or in part.

(b) Any payments made by IBM under this Article 29 (*Province Shared Infrastructure*) shall be treated as Pass-Through Expense, with the exception of any services that IBM obtains directly from CITS.

29.7 Failure in Province Shared Infrastructure.

In the event of the failure of the Province Shared Infrastructure or the occurrence of any event or circumstance which prevents IBM from having such access to and use of the Province Shared Infrastructure as is required by IBM for the delivery and performance of the Services pursuant to this Agreement, whether arising from the negligence or fault of the Province or otherwise, the Province and IBM acknowledge and agree that:

(a) the Province shall have no liability or obligation to IBM in respect thereof other than the obligation to use reasonable commercial efforts and to act with due diligence to correct such failure or to restore such access to and use of the Province Shared Infrastructure as soon as reasonably practicable; and

(b) to the extent that IBM is not able to deliver or perform a Service in the manner or to the Service Level Requirement under this Agreement as a result of such failure or lack of access to or use of the Province Shared Infrastructure, IBM shall be released of all consequences otherwise provided in this Agreement in respect of such failure to deliver and perform such Service or to meet such applicable Service Level Requirement until such failure or lack of access to or use of the Province Shared Infrastructure is rectified or remedied to a degree that IBM is reasonably able to have access to and use of the Province Shared Infrastructure as required to deliver and perform the Services in accordance with this Agreement.

29.8 Termination of Rights to Province Shared Infrastructure.

IBM acknowledges and agrees that its rights in respect of the Province Shared Infrastructure under this Article 29 (*Province Shared Infrastructure*) shall cease upon the expiry of the Shared Infrastructure Use Period and that forthwith upon such expiry, IBM shall return to the Province all passwords, access codes, access cards and devices of any kind used to obtain access to and use of the Province Shared Infrastructure.

ARTICLE 30 – TECHNOLOGY CHANGE / TECHNOLOGY STANDARDS

30.1 Technology Change.

In the event that the Province or IBM requires a hardware or software technology change, then the following principles shall apply:

(a) IBM shall determine whether it will have a material financial or operational impact or effect on the Province or the delivery of the Services by IBM if;

(i) there is no material financial or operational impact on the Province or the delivery of the Services by IBM in respect of such change, then the change shall be scheduled for implementation in accordance with the Operational Change Management Process, or

(ii) there is a material financial or operational impact on the Province or the delivery of the Services by IBM in respect of such change, then the Province shall request that such change be made in accordance with the Change Order Process, and if such change is approved, then IBM shall schedule and implement the same in accordance with the Operational Change Management Process, and if the Parties are unable to agree on the effect of such change, then the matter shall be escalated by the Parties through the Governance Process, and if necessary, shall be deemed to be a Dispute, the outcome of which shall be determined in accordance with Article 24 (*Disputes*).

30.2 Technology Standards.

In addition to any other specific requirements set forth in this Agreement regarding technology standards, IBM shall implement the Province's existing technology standards and guidelines, as such standards and guidelines are updated or revised from the Province from time to time. The requirement for IBM to comply with any amendments or other updates to such standards and guidelines shall be subject to the Change Order Process. In connection therewith, IBM shall advise the Province of any significant incompatibilities known to IBM that would result from any requested change to such standards and guidelines. Notwithstanding the foregoing, the Province shall be required to give IBM at least six (6) months prior written notice of any proposed Change Request regarding an amendment to or other change in a technology standard or guideline, which may be implemented by the Province through the Change Order Process. In respect thereof, and notwithstanding the provisions of Article 17 (*Change Management*), IBM shall consider all proposed changes to the technology standards and standardization, and where possible, shall provide the Province with business cased options and recommendations in respect thereof, including the cost estimates required to implement the options.

30.3 Implementing Improved Technology.

IBM shall, in the delivery of the Services assist the Province to implement and use proven, current technology that enables the Province to take advantage of technological advancements and support the Province's efforts to meet and exceed the objectives set forth in Section 1.13 (*Objectives of the Parties*) above. Throughout the Term, IBM shall identify and, with the Province's approval through the Joint Program Office, implement technology improvements to address such objectives, including:

(a) limiting the frequency of changes in technology standards while supporting standard technologies to N, N-1 and N-2 levels of currency, as more particularly described in the attached **Schedule K** (*Standards - Hardware*);

(b) maintaining Windows XP as the standard operating system for the Province until the end of Stage 4 Transition;

(c) maintaining Microsoft Office as the standard productivity suite for the Province until the end of Stage 4 Transition;

(d) using reasonable efforts to ensure that all desktops and laptops are no more than approximately three (3) years old and that support services are available in respect thereof, and

(e) ensuring that no equipment or software is at an age or level of obsolescence that prevents or materially interferes with ability of IBM to perform the Services or adhere to the Services Levels, or to prevent the Province from conducting its business in its ordinary course.

30.4 IBM Assistance re Standards.

In support of the Province's objectives set forth in Section 1.13 (*Objectives of the Parties*), and at the request of the Province, IBM shall provide the following assistance to the Province, at no additional cost to the Province:

(a) provide the Province with technical assistance in the development, implementation and maintenance of standards;

(b) assist the Province in the maintenance of standards through the monitoring and reporting on compliance with such standards through the use of asset reports;

(c) not adopt support technologies that may unreasonably limit the Province's ability to change its own technologies, technology standards or guidelines;

(d) where IBM is developing technology solutions for deployment to Client Ministries as part of a Project, develop such solutions in a manner consistent with the standards adopted by the Province to the extent reasonably possible;

(e) provide assistance to the Province in the provision of technical advice and guidance to those Ministries and governmental organizations that develop the use of corporate applications;

(f) where IBM is developing technology solutions in response to Client Ministry's as past of a Project, develop such solutions in a manner consistent with the standards adopted by the Province to the extent reasonably possible; and

(g) assist the Province in the establishment of policies with respect to the notification period for the standard technologies, and with respect to the "end of life" of the standard technologies, for purposes of transitioning away from those technologies that are no longer supported.

ARTICLE 31 – PRODUCT PURCHASE

31.1 Relationship Between the Parties for Product Procurement.

The Parties acknowledge and agree that having IBM procure Machines and Programs is an integral component of the Services to meet the objectives set forth in Section 1.13 (*Objectives of the* Parties) of this Agreement. The Parties desire to optimize the Services through standardization of the brand of Machines and Programs acquired by the Province under this Agreement and, as a result, it is the Province's present intention to acquire IBM Equipment for the Term of this Agreement. IBM agrees that the selection and approval of the brand of Machine and/or Program and the decision of whether to purchase such Machine or Program pursuant to the terms of this Agreement, is at the sole discretion of the Province.

31.2 Procurement Terms and Conditions.

The Parties agree to migrate the Province's current workstation technology infrastructure to a standardized workstation technology infrastructure as outlined and described in **Schedule G** (*Technical Transition and Refresh)* to this Agreement. IBM shall, on the request and authorization of the Province, procure for the Province, Machines and Programs, during the Term of the Agreement at the prices and on the terms and conditions set forth in **Schedule Y** (*Purchase Terms and Conditions*) of this Agreement, which terms and conditions shall govern all such acquisitions by the Province from IBM. IBM shall provide Order Management Services to the Province to support the product procurement and fulfillment cycle contemplated in this Agreement on behalf of the Province in accordance with **Schedule B-6** of **Schedule B** (*Services*). Nothing in the Agreement or elsewhere requires the Province to procure or request IBM to procure any Machines or Programs on behalf of the Province. In the event the Province elects to purchase Machines and Programs from a third party, then the resulting impact on Charges under this Agreement shall be subject to the Change Order Process.

31.3 Purchase Order Forecasting.

On a monthly basis, the Province and IBM will work cooperatively to develop an estimated order forecast ("**Order Forecast**") for Machines and Programs to be delivered by IBM to the Province. The Order Forecast will project sixty (60) days in advance of the requested delivery of such Machines or Programs. For greater certainty, the Order Forecast is an estimate only and the Province shall not be bound by any Order Forecast or obligated to purchase any or all of the Machines or Programs specified in any Order Forecast until the Province delivers an approved purchase order for Machines and Programs to IBM.

31.4 Failure to Supply Machines or Programs.

If IBM is unable to deliver Machines and Programs as requested at the times and in the manner set forth in **Schedule Y** (Purchase T*erms and Conditions*), then:

(a) IBM shall obtain for the Province, machines and/or programs that are comparable to the Machines and Programs and shall use all reasonable commercial efforts to obtain the lowest price and the best terms for the Province; and

(b) IBM's provision to the Province of alternate machines and programs under this Section shall not relieve IBM of its obligations to perform the Services at the same cost to the Province as if IBM had provided the Machines and/or Programs.

31.5 Request to Change Technology Brand.

In the event that either Party desires to change the brand of the Machines and Programs acquired by the Province in accordance with this Article 31 (*Product* Purchase) of this Agreement it shall provide written notice to the other Party of its desire to change brands. Such notice will include the rationale for changing brands. Through mutual consultation the Parties will consider alternatives for changing the brand of the Machines and/or Programs acquired through this Agreement, including remaining with the brand of Machines and/or Programs, and the implications of and process for changing the brand. If the Province, in its sole discretion, decides to change the brand of the Machines and/or Programs acquired through this Agreement, then the resulting impact on Charges under this Agreement shall be subject to the Change Order Process. IBM agrees to make commercially reasonable efforts to expedite the change and to minimize the cost of the change to the Province.

31.6 Risk of Loss.

Upon the delivery and acceptance of the Machines and Programs to the Province's location, IBM shall take Custody of the Machines and Programs in accordance with the terms of this Agreement. IBM shall bear the risk of loss or damage to such Machines and Programs when they are in the Custody and Control of IBM until such Machines and Programs are delivered and installed at the designated Facility or at such other location relating to a Broader Public Sector client.

ARTICLE 32 – MISCELLANEOUS

32.1 Notice.

Wherever under this Agreement one Party is required or permitted to give notice to the other Party (and no specific person is named as the appropriate recipient of such notice), such notice shall be in writing and shall be delivered personally, sent by facsimile transmission, or sent by nationally recognized express courier. For greater clarification, no notice required or permitted to be given under this Agreement shall be or be deemed to be effective if given by email. Any such notice shall be deemed given when actually received and shall be addressed as follows:

To the Province:

Ministry of Management Services
Common Information Technology Services
4000 Seymour Place
Victoria, British Columbia
V8X 1W5

AND:

PO Box 9412 Stn. Prov Govt
Victoria, British Columbia
V8W 9V1

Attn: WSS LOB Executive Director

Phone Number: 1-250-356-2334

To IBM:

IBM Project Executive
1803 Douglas Avenue
Victoria, British Columbia
V8T 5C3

Facsimile: 1-250-380-5427

WITH A COPY TO:

Assistant General Counsel, IBM Global Services (Canada)
245 Consumers Road
Toronto, Ontario
M2J 4R3

Facsimile: 1-416-490-5722

Either Party may change its address for notices upon giving ten days written notice of the change to the other Party in the manner provided above.

32.2 Appropriation and Approvals.

Notwithstanding any other provision of this Agreement, the payment of money by the Province to IBM under this Agreement is subject to:

(a) there being sufficient monies available in an appropriation, as defined in the *Financial Administration Act*, to enable the Province to make that payment; and

(b) Treasury Board, as defined in the *Financial Administration Act*, not having controlled or limited, under the *Financial Administration Act*, expenditure under any appropriation referred to in subsection (a) of this Section.

For greater certainty the provisions of this Section 32.2 (*Appropriation and Approvals*) shall not in any way limit IBM's rights under Section 18.5 (*Remedies of IBM*) of this Agreement.

32.3 Severability.

If any provision contained in this Agreement or its application to any Person or circumstance shall, to any extent, be invalid or unenforceable, then the remainder of this Agreement or the application of such provision to Persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected, and each provision of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law. In addition, any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. In respect of any provision determined to be unenforceable or invalid in a BC Court, the Parties agree to negotiate in good faith to replace the unenforceable or invalid provision with a new provision that is enforceable and valid in order to give effect to the business intent of the original provision to the extent permitted by British Columbia and Canadian law and in accordance with the intent of this Agreement.

32.4 Entire Agreement.

This Agreement and the Schedules to this Agreement, together with the Transaction Documents, and all other documents or agreements referred to herein or therein, constitute the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede any other prior agreements, undertakings, declarations, commitments, representations, warranties, conditions, promises and understandings, whether written or oral, among the Parties with respect to the subject matter hereof.

32.5 Amendments.

No term or provision of this Agreement may be amended except by written instrument signed by each of the Parties or by a Change Order as contemplated in Article 17 (*Change Management)*, which shall be considered by the Joint Program Office for approval, and if necessary, escalated through the Governance Process.

32.6 No Liens or Charges against Provincial Assets.

Except as expressly provided in this Agreement, IBM covenants and agrees to protect and keep free, all assets of the Province used in the provision of the Services from any and all liens, claims, liabilities, security interests, encumbrances, pledges, mortgages or charges of any kind arising through IBM or as a result of the performance by IBM of the Services (collectively, the "**Liens**", and each "**Lien**"). If any such Lien is filed, then IBM will immediately notify the Province by providing a copy of the Lien claim. IBM shall cause such Lien to be satisfied or otherwise discharged within ten (10) Business Days. If any such Lien is filed or otherwise imposed, and IBM does not cause such Lien to be released and discharged forthwith, then the Province has the right, but not the obligation, to pay all sums necessary to obtain such release and discharge or otherwise cause the Lien to be removed to the satisfaction of the Province from funds retained from payment then due or thereafter to become due as Charges payable to IBM.

32.7 Waiver.

Failure by a Party to insist in any one or more instances upon the strict performance of any one of the terms, provisions or covenants contained in this Agreement shall not be construed as a waiver or relinquishment of such term, provision or covenant. No consent or waiver, express or implied, by a Party

to or of any breach or default by another Party in the performance by such other Party of any term, provision or covenant under this Agreement shall be deemed or construed to be a consent or waiver to or of any other breach or default such other Party under this Agreement. No waiver of any breach of any term, provision or covenant of this Agreement shall be effective or binding unless made in writing and signed by the waiving Party.

32.8 Further Assurances.

Each of the Parties shall, from time to time, execute and deliver all such further documents and instruments and do all such further acts and things as the other Party may reasonably require to carry out or better evidence or perfect the full intent and meaning of this Agreement.

32.9 Obligations as Covenants.

Each obligation of a Party in this Agreement, even though not expressed as a covenant, is considered for all purposes to be a covenant.

32.10 Transaction Fees and Commissions.

Each Party shall be responsible for and pay its respective legal and accounting costs and other expenses incurred in connection with the preparation, execution and delivery of this Agreement (including all prior steps and actions taken in respect to the JSRFP), the Transaction Documents and all other documents and instruments prepared, executed or delivered pursuant thereto or to this Agreement.

32.11 Survival.

Unless otherwise provided in this Agreement, the following provisions, including the obligations of IBM and the Province thereunder shall survive the expiration or termination of this Agreement:

- Sections 1.5 (*Acting Reasonably*),
- Section 1.14 (*Co-operation of the Parties*),
- Section 2.11 (*Effect of Termination*),
- Section 3.5(a) (*Failure to Complete Stage 1 Transition Plan*),
- Section 6.9 (*Chronic Failure*),
- Article 10 (*Intellectual Property and Proprietary Rights*),
- Article 11.1(b)(v) (*Province Mark*),
- Article 12 (*Charges*),
- Article 14 (*Privacy, Security and Confidentiality*) other than Section 14.1 (*Acknowledgements*), Section 14.17 (*Organizational Structure of IBM and Subcontractors*) and in respect of Sections14.6 (*Privacy and Obligations for Personal Information*) and 14.7 (*USA Patriot Act*) as IBM has access to Personal Information, if applicable, during the Termination Assistance Period,
- Section 15.1 (*Maintenance of Records*),

- Section 15.3 (*Control of Province Records*),
- Section 15.4 (*Return of Province Records*),
- Section 15.6 (*Disposal of Records*),
- Section 15.7 (*Location of Records*),
- Section 15.9 (*Access Rights*),
- in respect of an audit conducted by the Province of the last Contract Year, Section 15.10 (*Financial Audit Rights*), Section 15.13 (*Operational Audit Rights*), Section 15.16 (*Costs of Audits*) and Section 15.17 (*General Principles Regarding Audit, Investigation and Inspection Rights*),
- Section 18.1 (*Events of Termination*),
- Section 18.2(b) (*Remedies of the Province*),
- Section 18.5 (*Remedies of IBM*),
- Section 18.8 (*Termination Fees*),
- Section 21.4 (*Disclaimer of Warranties*),
- Section 22 (*Indemnification and Limitation of Liability*),
- Article 24 (*Disputes*),
- Section 26.1 (*Responsibility for Subcontractors*),
- Section 29.8 (*Termination of Rights to Province Shared Infrastructure*),
- Section 32.11 (*Survival*), and
- any other provisions of this Agreement which are required for the proper interpretation thereof.

In addition, any liabilities or obligations of either Party arising before the expiration or termination of this Agreement or arising out of the events causing such expiration or termination, and any damages or other remedies to which a Party may be entitled (as limited under this Agreement) under this Agreement, whether at law or in equity, arising from any breach of such obligations of a Party and any other provisions herein, the nature and intent of which is to survive termination of this Agreement, shall survive and shall not be affected by the expiration or termination of this Agreement

32.12 Language.

The Parties have agreed that this Agreement and all documents related to this Agreement shall be drafted in the English language. Les parties aux présentes ont convenu que cette convention et tous les documents qui s'y rapportent soient rédigés en langue anglaise.

32.13 Governing Law.

(a) This Agreement shall be governed by and construed in accordance with the laws, other than choice of law rules, of the Province of British Columbia. Any matter regarding interpretation and application of this Agreement or the other Transaction Documents, and all disputes arising under or in connection with this Agreement or the other Transaction Documents shall, subject to Article 24 (*Disputes*), be within the exclusive jurisdiction of the courts of British Columbia, as stipulated in the following paragraph.

(b) Subject to Article 24 (*Disputes*), the Parties irrevocably agree to and hereby accept and attorn to the exclusive jurisdiction of the courts of British Columbia for any and all claims that they may have related in any way to this Agreement and its renewal or non-renewal, and all Disputes relating hereto or hereunder and the Parties irrevocably covenant and agree not to commence any action or bring any claim in any other forum whatsoever, be it domestic, foreign or international (including, but not limited to the *North American Free Trade Agreement*), relating in any way to this Agreement or its renewal or non-renewal or any Dispute relating hereto or hereunder.

(c) The Parties further agree that, should any third party initiate any action under any of the dispute settlement provisions of the *World Trade Organization Agreement* or the *North American Free Trade Agreement* (including Chapter Eleven thereto), in any way relating to this Agreement, then no Party shall provide any assistance whatsoever (including, without limitation, financial assistance, access to documents and access to personnel) to such third party to pursue any such action except as otherwise required by law. The Parties shall also provide all reasonable assistance, one to the other, to defend against such third party claims.

(d) IBM, on its own behalf and on behalf of all others who may claim through it or under it, including but not limited to IBM World Trade Corporation and their respective Affiliates (collectively, the "**IBM Group**") hereby covenants and agrees that without the express written consent of the Province, which may be withheld for any cause, or without cause, none of the IBM Group shall make any claim or initiate any proceedings under the provisions of the *World Trade Organization Agreement* or the *North American Free Trade Agreement* related to any matter arising under or relating to this Agreement against any Person (including the Government of Canada) which might result in a claim for contribution, indemnity or otherwise being made against the Province.

(e) IBM, on its own behalf and on behalf of the IBM Group, hereby specifically acknowledges that the provisions of this Section 32.13 (*Governing Law*) are fundamental to this Agreement. The Province has fundamentally relied upon the presence of all of these provisions and the Province would not have entered into this Agreement with IBM without those provisions being included.

32.14 Change of Law.

IBM hereby acknowledges and affirms that its costs involved in performing its obligations under this Agreement are, in part, based on governmental laws, regulations and policies in force at the time this Agreement was entered into and subsequently, and that such governmental laws, regulations an policies are subject to change without notice. Any such change could result in a material change in IBM's costs of performing its obligations under this Agreement. IBM specifically acknowledges and affirms that any such change that has the effect of increasing IBM's costs of performing its obligations under this

Agreement will not effect those obligations (provided that any such increased cost of performing the obligations shall be addressed in accordance with the Change Order Process as set forth in Sections 20.1(a) (*General Duties and Obligations of Province*) and 20.3 (*Compliance with Applicable Laws)*, nor will such actions constitute expropriation or tantamount to expropriation at domestic or international law (including, but not limited, the North American Free Trade Agreement) and will not constitute grounds for asserting any claim whatsoever under domestic law or any international agreement (including, but not limited to, Chapter Eleven of the North American Free Trade Agreement and the General Agreement on Trade in Services).

32.15 No Fettering of Legislative Authority.

IBM expressly acknowledges and agrees that nothing in this Agreement shall be construed as an agreement by the Province to restrict, limit or otherwise fetter in any manner the Province's ability to introduce, pass, amend, modify, replace, revoke or otherwise exercise any rights or authority regarding legislation, regulations, policies or any other authority of the Province.

32.16 Procurement.

The Parties hereby acknowledge and affirm that this Agreement constitutes a "procurement" by the Province as that term is utilized in the *North American Free Trade Agreement* and the *General Agreement on Trade in Services*, and consequently:

(a) *North American Free Trade Agreement* Articles 1102, 1103, 1107, 1106(1)(b), (c), (f), and (g), and 1106(3)(a) and (b) do not apply to this Agreement, by virtue of the *North American Free Trade Agreement* Articles 1108(7)(a) and 1108(8) (b);

(b) *North American Free Trade Agreement* Chapter Twelve does not apply to this Agreement by virtue of Article 1201(2)(c);

(c) the Services being procured under this Agreement are services supplied in the exercise of governmental authority for purposes of the *General Agreement on Trade in Services*; and

(d) Articles II, XVI and XVII of the *General Agreement on Trade in Services* do not apply to this Agreement because, for purposes of Article XIII of that agreement, this Agreement constitutes a procurement by a governmental agency of services being purchased for governmental purposes and not with a view to commercial resale or with a view to use in the supply of services for commercial sale.

32.17 Binding Effect.

This Agreement shall be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns.

32.18 No Third-Party Beneficiaries.

Nothing in this Agreement, express or implied, is intended to confer upon any Person (other than the Parties and their successors and permitted assigns), and the indemnified parties who are expressly indemnified pursuant to the provisions of this Agreement, any rights, benefits or remedies of any kind or character whatsoever, and no Person shall otherwise be deemed to be a third-party beneficiary under or by reason of this Agreement.

32.19 Publicity.

Without limiting the generality of Section 13.4 (*Promotional Materials*), IBM shall submit to the to the Province all announcements, public notices and all other publicity materials ("**Publicity Materials**") relating to this Agreement or the transactions contemplated by this Agreement, in which the Province's name or any Province Marks are mentioned for consideration by the Province. IBM shall not use such Publicity Materials without the prior approval of the Province, which approval shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, in the event of potentially negative publicity or other potential adverse media in connection with the Services or this Agreement, IBM shall be entitled to respond to the same, provided that it prepares its response in consultation with the Province, including providing an advance copy of any written materials to the Province and incorporating comments of the Province where reasonable to do so. Any IBM response to negative publicity or other adverse media shall not contain derogatory comments or statements regarding the Province.

With respect to announcements, public notices and all other publicity materials relating to this Agreement or the transactions contemplated by this Agreement, in which the IBM's name or any IBM Marks are mentioned, the Province will make every reasonable effort to obtain IBM's prior approval of such materials, such approval not be unreasonably withheld or delayed, but there may be circumstances where departments or ministries outside of CITS may release such materials without CITS' or Management Services' knowledge. In such event, promptly upon becoming aware of such materials having been released, the Province will notify IBM and review the materials with IBM.

32.20 Environmental Policy.

The Parties acknowledge their mutual commitment to environmental affairs leadership. To further that commitment, IBM maintains a corporate environmental affairs policy, and will, upon request from the Province, provide information regarding such policy. As of the Effective Date, IBM's environmental policy and information on IBM's environmental management system are available at www.ibm.com/ibm/environment.

32.21 Counterparts.

This Agreement may be executed in several counterparts, each of which shall be deemed to be an original. Such counterparts together shall constitute one and the same instrument, notwithstanding that all of the Parties are not signatories to the original or the same counterpart.

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, AS REPRESENTED BY THE MINISTER OF MANAGEMENT SERVICES

Cairine MacDonald

Name: Cairine MacDonald
Title: Deputy Minister, Ministry of Management Services

IBM CANADA LIMITED

By: _____

Name: Greg Gulyas
Title: Vice President, Public Sector, IBM Global Services

SCHEDULE A

DEFINITIONS
(Section 1.1)

Unless otherwise provided in this **Schedule A** (or in any Schedules attached to this Agreement), capitalized terms shall have the meanings given to those terms in this **Schedule A** (*Definitions*). In addition to the definitions contained in this **Schedule A** (*Definitions*), any capitalized terms defined elsewhere in this Agreement shall have the meanings so given to them.

"**2nd Commencement Date**" has the meaning set forth in Subsection 3.5(a) (*Failure to Complete Stage 1 Transition Plan*).

"**Acceptance**" or "**Accepted**" means Province's written concurrence that a Deliverable satisfies the Completion Criteria set forth in the Project Plan.

"**Achieved Service Levels**" means, in respect of any Service Level and for any month, the standard and level of performance actually achieved by IBM in the provision of the applicable Service in such month.

"**Actual Inflation**" has the meaning set forth in the Section entitled "Economic Change Adjustment" of **Schedule F** (*Charges*).

"**Actual SUs**" has the meaning set forth in the Section entitled "Additional or Reduced Service Usage" of **Schedule F** (*Charges*).

"**Add**" has the meaning set forth in the Section entitled "Resource Units and Measurement Methodology" of **Schedule F** (*Charges*).

"**Additional Service Unit Charge**" or "**ARC**" means the charge, as set forth in **Schedule F** (*Charges*), to the Province if the Province's usage of Resource Units is above the applicable Baseline.

"**Affiliate**" has the meaning set forth in the *Canada Business Corporations Act*.

"**Agreement**" or "**Master Services Agreement**" means this Master Services Agreement, which comprises the Recitals, Articles 1-32, and all Schedules attached (including Exhibits and attachments thereto), as the same may be amended, supplemented or updated from time to time in accordance with the terms of this Master Services Agreement.

"**Alternate Service Provider**" means any Person or Persons designated by the Province as an alternate service provider for any or all Services after termination or expiry of the Services, or the relevant portion thereof, but only after such Person or Persons have been so designated by the Province, in accordance with its procurement policies, if applicable.

"**Annual Services Charge**" or "**ASC**" means the aggregate of the planned charges associated with each of the Services and includes the quantity of service units set forth In the Baselines.

"**Applicable Laws**" means all applicable laws, including any statute, regulation or by-law, treaty, directive, rule, requirement, policy having the force of law, order, judgment, injunction, award or decree of any Canadian or Provincial Governmental Authority in Canada or in any Province in Canada which are, with respect to IBM binding on IBM and with respect to the Province, binding on the Province and in effect from time to time, which are applicable to the performance of the Services.

"**Application Inventory and Software Project**" means the project to assess and baseline Ministry application software currency.

"**Applications Software**" means the software programs, including all supporting documentation, executable code, and media that perform specific data processing and telecommunication task and are listed as Applications Software in **Schedule I** (*Application and Operating Software Lists*).

"**Approved Variance**" means a deviation from the Standard Products mutually agreed to by the Province and IBM and eligible for the Services.

"**Arbitration Costs**" has the meaning set forth in Subsection 24.2(d) (*Arbitration*).

"**ARC Deadband**" means the percentage above the Baseline within which ARCs will not apply but, when exceeded, ARCs will apply.

"**ARC Deadband Baseline**" has the meaning set forth in the Section entitled "Additional or Reduced Service Usage" of **Schedule F** (*Charges*).

"**ARC Invoice**" has the meaning set forth in the Section entitled "Charges, Credits and Payments" of **Schedule F** (*Charges*).

"**Asset Inventory Management**" has the meaning set forth in **Schedule B-10** of **Schedule B** (*Services*).

"**Assigned Contract**" has the meaning set forth in the Master Transfer Agreement.

"**Assigned Intellectual Property**" has the meaning set forth in Section 10.6 (*Assignment Re: Intellectual Property*).

"**Assignee Party**" has the meaning set forth in Section 10.6 (*Assignment Re: Intellectual Property*).

"**Assigning Party**" has the meaning set forth in Section 10.6 (*Assignment Re: Intellectual Property*).

"**At Risk Amount**" has the meaning set forth in Subsection 6.11(c) (*Service Level Credits*).

"**Audits**" mans the Financial Audits and Operational Audits.

"**Automated Call Distributor (ACD)**" means a function on the telephone switch that provides automatic call distribution to various agent groups depending on incoming number.

"**Banked Credit**" has the meaning set forth in Subsection 6.11(f) (*Service Level Credits*).

"**Banked Credit Period**" has the meaning set forth in paragraph 6.11(f)(i) (*Service Level Credits*).

"**Base Fees**" means the cumulative total Monthly Services Charges based on the Monthly Service Charges Rates, set forth in Exhibit F-1 of **Schedule F** (*Charges*), applied to Supported Client Devices, Client Users, Application Inventory, and other services that are charged at a fixed monthly rate, including charges related to extra image support. The Base Fee excludes all transaction charges such as Project Services, home support services, Application Inventory and other services that are charged only on the basis of if and when they requested and are performed.

"**Base Monthly Fee**" means Base Fees calculated on a monthly basis.

"**Base Services**" means those services covered in the Annual Service Charge listed in Exhibit F-1 of **Schedule F** (*Charges*).

"**Base Technology Engineering Services**" has the meaning set forth in **Schedule B-8** of **Schedule B** (*Services*).

"**Base Year Index**" has the meaning set forth in the Section entitled "Economic Change Adjustment" of **Schedule F** (*Charges*).

"**Baseline**" means the quantity of Resource Units included in the ASC, as set forth in **Schedule F** (*Charges*).

"**Baseline Price Reset**" has the meaning set forth in Section 7 of **Schedule F** (*Charges*).

"**Basic Infrastructure Amount**" has the meaning set forth in Section 29.2 (*Use of Province Shared Infrastructure*).

"**BC BPS**" has the meaning set forth in Subsection 13.1(b) (*Benefit Sharing Principles*).

"**BCGEU**" means the British Columbia Government and Service Employees' Union.

"**BCGEU Action**" means the action filed in 2004 under No. C4 0879 in the Victoria Supreme Court under the style of cause: *British Columbia Government Employees Union v. The Minister of Health Services and the Medical Services Commission.*

"**Benchmarker**" has the meaning set forth in Subsection 9.1(c) (*Benchmarking*).

"**Benchmarking**" has the meaning set forth in Section 9.1 (*Benchmarking*).

"**Broader Public Sector**" or "**BPS**" means crown corporations that are owned directly or indirectly by the Province, and all other levels of government within British Columbia including, without limitation, all municipalities, cities, towns, counties or other political jurisdictions of British Columbia, or any agency, board, council, department, authority, tribunal or commission of the Province or of any of the foregoing, and includes any universities, colleges, schools, school boards, hospitals and health authorities in British Columbia.

"**Business Continuity Representative**" has the meaning set forth in Section 7.6 (*Business Continuity Representative*).

"**Business Day**" means any day other than a Saturday, Sunday or a statutory holiday in the Province of British Columbia.

"**Business Information**" has the meaning set forth in Subsection 14.1(b) (*Acknowledgements*).

"**Call Service Time**" means the time spent by IBM in handling an inbound Service Desk call, which begins when the Service Desk agent answers the call and ends when the Service Desk agent disconnects the Call.

"**Calls**" has the meaning set forth in the Section entitled "Service Desk Services Resources" of **Schedule F** (*Charges*).

"**Canadian Entity**" means corporations, partnerships, limited partnerships, or other similar entities that are incorporated or created under the laws of Canada or any province of Canada.

"**Change Order**" has the meaning set forth in Section 17.4(d) (*Province Initiated Change*) or 17.5(d) (*IBM Initiated Change*), as the case may be.

"**Change Order Process**" has the meaning set forth in Section 17.3 (*Initiating the Change Order Process*).

"**Change Proposal**" has the meaning set forth in Section 17.5 (*IBM Initiated Change*).

"**Change Request**" has the meaning set forth in Section 17.4 (*Province Initiated Change*).

"**Charges**" has the meaning set forth in Section 12.1 (*Charges*).

"**Chronic Failure**" has the meaning set forth in Section 6.9 (*Chronic Failure*).

"**CITS**" means Common Information Technology Services, a department within the Ministry of Management Services or its successor.

"**Claims**" and each a "**Claim**" means any and all claims, proceedings, suits, actions, causes of action, losses, damages, liabilities, costs and expenses and all reasonable legal fees suffered or incurred by a Person.

"**Client Ministries**" or "**Client**" means ministries of the Province of British Columbia that receive Services under this Agreement.

"**Client User**" means users of Services who are employees or contractors of the Province.

"**Client User Account Administration**" has the meaning set forth in **Schedule B-13** of **Schedule B** (*Services*).

"**Commencement Date**" means December 6, 2004, as such date may be changed in accordance with Section 3.5 (*Failure to Complete Stage 1 Transition Plan*).

"**Commissioner**" means has the meaning set forth in the *Freedom of Information and Protection of Privacy Act* (British Columbia).

"**Common Services**" has the meaning set forth in **Schedule B-14** of **Schedule B** (*Services*).

"**Compelled Party**" has the meaning set forth in Section 14.12 (*Disclosure Compelled by Law*).

"**Completion Criteria**" means mutually agreed written conditions IBM is required to meet to satisfy its obligations for each Project as set forth in the applicable Project Plan.

"**Confidential Information**" means the Province Confidential Information and/or the IBM Confidential Information, as the case may be.

"**Consequential Damage Cap**" has the meaning set forth in Subsection 22.9(b) (*Limitation of Liability*).

"**Contaminant**" has the meaning set forth in Section 10.18 (*System Contaminants*).

"**Contract Year**" means each twelve (12) month period commencing on April 1 of a particular year and ending on March 31 of the immediately following year, except that:

(a) the first "Contract Year" shall be a partial "Contract Year" commencing on the Effective Date and ending on March 31, 2005; and

(b) the final Contract Year shall be a partial "Contract Year" commencing on April 1 in the final year and ending on Termination.

"**Control**" means the power or authority to manage, restrict, regulate or administer the use or disclosure.

"**Core Policy Manual**" means the Province of British Columbia's Core Policy Manual, as amended from time to time.

"**Core Software**" has the meaning set forth in **Schedule I** (*Application and Operating Software Lists*).

"**Corporate Control**" of a corporation or other entity is held by a Person where securities of the corporation or other entity to which are attached more than 50% of the votes that may be cast to elect directors or persons acting in a similar capacity of the corporation or other entity are held, other than by way of security only, by or for the benefit of such Person and "Controlled" and "Controlling" have corresponding meanings.

"**Critical Services**" has the meaning set forth in Section 25.1 (*Critical Services*).

"**Current**" or "**Currency**" means, with respect to a Standard Product, at a minimum, its manufacturer or licensor provides generally available support for such Standard Product.

"**Custody**" means to have physical possession and immediate responsibility for the safe-keeping and preservation.

"**Deficiency**" means:

(a) a misstatement or misrepresentation by IBM in its reporting, accounting or record keeping pursuant to this Agreement;

(b) a material failure to comply with the provisions of GAAP when required to do so;

(c) a material failure to comply with the provisions of this Agreement (including the performance of the Services);

(d) a material failure to comply with the Core Policy Manual, (as applicable under Section 20.4 (*Compliance with Specific Laws*)) Applicable Laws, or any other applicable requirements of regulatory bodies and authorities having competent jurisdiction (other than a failure to comply with a Disclosure Order); or

(e) the occurrence of any fraud, malfeasance, wilful misconduct, gross negligence or other similar acts in the performance of the Services.

"**Deliverable**" means any item required to be delivered by IBM to the Province pursuant to this Agreement and in the performance of the Services and identified as a deliverable.

"**Delivery Project Manager**" means the individual designated in writing by the IBM from time to time whose role is to manage the day to day operation and delivery of the Services.

"**Deployment Services**" has the meaning set forth in **Schedule B-12** of **Schedule B** (*Services*).

"**Derivative Work**" means a work based on one or more preexisting works, including a condensation, transformation, translation, modification, expansion, or adaptation, that, if prepared without authorization of the owner of the copyright of such preexisting work, would constitute a copyright infringement under applicable law.

"**Designated Affiliate**" has the meaning set forth in Section 27.2 (*Assignment by IBM*).

"**Desktop Terminal Services**" has the meaning set forth in **Schedule B-18** of **Schedule B** (*Services*).

"**Detailed Contract Profitability Report**" has the meaning set forth in **Schedule N** (*Summary Financial Information*).

"**Direct Damage Cap**" has the meaning set forth in Subsection 22.9(d) (*Limitation of Liability*).

"**Disaster**" means any event or circumstance that adversely affects or disrupts (or has the potential to adversely affect or disrupt) the Services, or the ability of IBM or its Subcontractors to otherwise comply with the terms of this Agreement or to otherwise operate their businesses, whether within or outside the control of IBM including, without limitation, any Force Majeure Event or Labour Disruption.

"**Disclosure Order**" has the meaning set forth in Subsection 14.7(a) (*USA Patriot Act*).

"**Dispute**" means a dispute, claim, difference or disagreement between the Parties arising out of or related to the Services or this Agreement.

"**Dispute Notice**" has the meaning set forth in Subsection 24.1(a) (*Information Dispute Resolution*).

"**Disputed Matters**" has the meaning set forth in Subsection 22.6(c) (*Third Party Claim Process*).

"**DTS Infrastructure Users**" has the meaning set out in Section 4 of **Schedule F** (*Charges*).

"**DTS Terminal**" means the thin client terminal (e.g., NEOWare, Wyse) for access to a Citrix server or a Supported Desktop exclusively running the Citrix ICA client software for access to a Citrix server.

"**ECA Factor**" has the meaning set forth in the Section entitled "Economic Change Adjustment" of **Schedule F** (*Charges*).

"**Economic Change Adjustment**" or "**ECA**" has the meaning set forth in the Section entitled "Economic Change Adjustment" of **Schedule F** (*Charges*).

"**Effective Date**" has the meaning set forth in the first paragraph of this Agreement.

"**Electronic Software Distribution**" or "**ESD**" means the electronic distribution of a defined set of software Standard Products (but excluding operating system and NOS software) bundled as a package and distributed to supported servers through a single, centralized electronic distribution process.

"**Eligible Employees**" has the meaning set forth in Subsection 19.1(d) (*Termination Services*).

"**Embedded IBM Intellectual Property**" means: (i) any IBM Other Intellectual Property; (ii) any New Intellectual Property; and (iii) any Modifications thereto made during the Term; that have been incorporated, embedded, contained or otherwise included in any Province Intellectual Property or Modifications thereto, or in any Modifications to Third Party Intellectual Property licensed by the Province, or in any Deliverable, but excluding any IP Rights therein other than copyright or any other IP Right in respect of which the Province requires a license in order to exercise its rights under the license granted to the Province pursuant to Section 10.11 (*Province's Use of Embedded IBM Intellectual Property*).

"**Enterprise Images**" has the meaning set out in Section 4 of **Schedule F** (*Charges*).

"**Enterprise Images Releases**" has the meaning set out in Section 4 of **Schedule F** (*Charges*).

"**Equipment**" means IBM Equipment and Province Equipment, collectively.

"**Event of Insolvency**" means the occurrence of any one of the following events regarding IBM and of Persons who have Corporate Control them or are Corporately Controlled by them:

(a) if such Person:

(i) other than in connection with a bona fide corporate reorganization which does not otherwise contravene this Agreement, is wound up, dissolved, liquidated or has its existence terminated or has any resolution passed therefor or makes a general assignment for the benefit of its creditors or a proposal under *Bankruptcy and Insolvency Act* (Canada),

(ii) makes an application to the applicable court for a compromise or arrangement under the *Companies' Creditors Arrangement Act* (Canada), or

(iii) files any written request, application, answer or other document seeking or consenting to any re-organization, arrangement, composition, re-adjustment, liquidation or similar relief for itself under any present or future law relating to bankruptcy, insolvency, or other relief for or against debtors generally, including any notice of intention to make a proposal pursuant to *Bankruptcy and Insolvency Act* (Canada);

(b) if a court of competent jurisdiction enters an order, judgment, or decree against such Person which approves or provides for any reorganization, arrangement, composition, re-adjustment, liquidation, dissolution, winding up, termination or existence, declaration of bankruptcy or insolvency or similar relief with respect to such Person, under any present or future law relating to bankruptcy, insolvency, or other relief for or against debtors generally and such order, judgment, or decree remains un-vacated and un-stayed for an aggregate period of 60 days (whether or not consecutive) from the date it is made;

(c) if any trustee in bankruptcy, receiver, receiver and manager, liquidator or any other officer with similar powers is appointed for or with respect to such Person and that appointment remains in effect for an aggregate period of 60 days (whether or not consecutive) from the date of the appointment; or

(d) if an encumbrance or anyone acting on behalf of an encumbrancer takes possession of all or substantially all of the property of such Person and remains in possession for an

aggregate period of 60 days (whether of not consecutive) from the first date of the taking of possession.

"**Event of Termination**" has the meaning set forth in Section 18.1 (*Events of Termination*).

"**Excluded Claim**" has the meaning set forth in paragraph 22.9(d) (*Limitation of Liability*).

"**Excluded Projects**" means all Projects or Project Services excluding the Included Projects.

"**Executive Sponsors**" means, for the Province, the Deputy Minister of Management Services, and for IBM, the Vice President, Public Sector, or their respective designates.

"**Exhibit**" means the exhibit, if any, expressly referenced in and attached to a Schedule.

"**Expiration Date**" means 2400 hours Pacific Standard Time on March 31st 2015.

"**Extension**" has the meaning set forth in Section 2.7 (*One Year Extension*).

"**External Personnel**" has the meaning set forth in Section 8.11 (*General Principles Regarding Personnel*).

"**Financial Audit**" means the financial audit set forth in Section 15.10 (*Financial Audit Rights*).

"**Financial Responsibilities Matrix**" has the meaning set forth in Section 1.0 (Introduction) of **Schedule F** (*Charges*) and is set forth as Exhibit C-2 (Financial Responsibilities Matrix) of **Schedule F** (*Charges*).

"**Force Majeure Event**" has the meaning set forth in Section 25.5 (*Force Majeure Events*).

"**Freedom of Information Legislation**" has the meaning set forth in Subsection 20.4(c) (*Compliance with Specific Laws*).

"**Full Client Device**" has the meaning set forth in Section 4 of **Schedule F** (*Charges*).

"**Full Support**" the meaning set forth in Section 3 of **Schedule I** (*Application and Operating Software Lists*).

"**Full Supported Software**" has the meaning set forth in **Schedule I** (*Application and Operating Software Lists*).

"**GAAP**" has the meaning set forth in Section 1.6 (*Accounting Policy*).

"**Governance Process**" has the meaning descried in **Schedule P** (*Governance*).

"**Governmental Authority**" means any court or governmental department, commission, board, bureau, agency, or instrumentality of Canada, or of any province, state, territory, county, municipality, city, town, or other political jurisdiction, whether domestic or foreign, and whether now or in the future constituted or existing, having competent jurisdiction over the business that is the subject of the Services or over any Party to this Agreement.

"**GST**" means the tax imposed under Part IX of the *Excise Tax Act* (Canada), as the same may from time to time be amended or replaced.

"**Holidays**" means the days specified in the Process Interface Manual.

"**Hourly Services**" has the meaning set forth in the Section entitled "Charges, Credits and Payments" of **Schedule F** (*Charges*).

"**Hourly Services Expenses**" has the meaning set forth in the Section entitled "Charges, Credits and Payments" of **Schedule F** (*Charges*).

"**Hourly Services Fees**" has the meaning set forth in the Section entitled "Charges, Credits and Payments" of **Schedule F** (*Charges*).

"**Hourly Services Rates**" has the meaning set forth in the Section entitled "Charges, Credits and Payments" of **Schedule F** (*Charges*).

"**HR Transition Plan**" means the human resources transition plan attached to the Master Transfer Agreement.

"**IBM**" has the meaning set forth in the first paragraph of this Agreement.

"**IBM Confidential Information**" means any technical, business, financial, personal, employee, operational, scientific or other information or data of IBM that is supplied to, obtained by, or that comes to the knowledge of the Province as a result of this Agreement and that is at the time of disclosure: (i) is designated, as confidential or like designation, (ii) is disclosed in circumstances of confidence, or (iii) would be understood by a Person exercising reasonable business judgment to be confidential. The "IBM Confidential Information" may include information or data in whatever form or media, whether in writing, in electronic form or communicated orally or visually without limiting the generality of the foregoing the IBM Confidential Information shall include the IBM Intellectual Property and the New Intellectual Property.

"**IBM Facilities**" or "**IBM Facility**" means any location owned, leased, rented, or used by IBM in providing the Services as set forth in Section 3 of **Schedule L** (*Facilities*).

"**IBM Focal Point**" means the individual designated by IBM to act as the single point of contact within a specified Services area or IBM Facility to whom the Province may direct all communications related to such Services area or IBM Facility.

"**IBM Group**" has the meaning set forth in Subsection 32.13(d) (*Governing Law*).

"**IBM Indemnified Parties**" has the meaning set forth in Section 22.2 (*Indemnification by Province*).

"**IBM Intellectual Property**" means all Works and Materials developed or owned by IBM prior to the Term or during the Term but outside of this Agreement, including all IP Rights therein.

"**IBM Key Positions**" means those key employee positions of IBM set forth in **Schedule M** (*Key Positions*).

"**IBM Equipment**" means the equipment listed as IBM equipment in **Schedule J** (*Equipment*) that are owned, leased or rented by IBM and used to provide the Services.

"**IBM Margin**" means Cumulative Project Office Gross Profit Percentage.

"**IBM Other Intellectual Property**" means the IBM Intellectual Property, excluding: (i) the IBM Software; and (ii) any Works and Materials that are used by IBM for the purpose of performing, managing or reporting on the Services or workstation services similar thereto.

"**IBM Products**" means hardware or Software made generally available by IBM or its Affiliates under the IBM logo.

"**IBM Programs**" shall have the meaning set forth in **Schedule Y** (*Purchase Terms and Conditions*).

"**IBM Project Executive**" means the individual designated by IBM as such who has the authority to bind IBM in all aspects of this Agreement.

"**IBM Residual Information**" has the meaning set forth in Section 14.14 (*Residual Information*).

"**IBM Services Recovery Plan**" has the meaning set forth in Section 7.2 (*Services Recovery Management*).

"**IBM Software**" means Software owned by IBM or its Affiliates made generally available by IBM or its Affiliates as a commercial software product under the IBM logo.

"**IDIR**" means the Province's current Microsoft Active Directory Authentication service.

"**IMAC Coordination**" has the meaning set forth in **Schedule B-4** of **Schedule B** (*Services*).

"**IMAC Execution**" has the meaning set forth in **Schedule B-5** of **Schedule B** (*Services*).

"**Image Quality Assurance Test**" means the tasks performed by IBM to reduce the risk of defects or failures in IBM's preparation of Workstation Image Elements.

"**Incident**" means any event that is not part of the standard operation of a service and that causes, or may cause, an interruption to, or a reduction in, the quality of that service.

"**Included Projects**" means those Project as set forth in Section S of **Schedule B-15** (*Project Services*).

"**Indemnified Party**" has the meaning set forth in Section 22.6(a) (*Third Party Claim Process*).

"**Indemnifying Party**" has the meaning set forth in Section 22.6(a) (*Third Party Claim Process*).

"**Inflation Sensitivity**" has the meaning set forth in the Section entitled "Economic Change Adjustment" of **Schedule F** (*Charges*).

"**In-Flight Projects Plan**" means the Province Project Plan documented for each In-Flight Project as set out in **Schedule B-2** (*In-Flight Project Services*) of **Schedule B** (*Services*).

"**In-Flight Project Services**" has the meaning set forth in Section 2.0 of **Schedule B-2** (*In-Flight Project Services*) of **Schedule B** (*Services*).

"**Initial Term**" means the initial term of this Agreement, as more particularly described in Section 2.1 (*Initial Term*).

"**Install**" has the meaning set forth in the Section entitled "Service Usage and Measurement Methodology" of **Schedule F** (*Charges*).

"**Install, Move, Add, Change**" or "**IMAC**" means Install, Move, Add, Change events as set forth in the Section entitled "Service Usage and Measurement Methodology" of **Schedule F** (*Charges*).

"**Integration Testing**" means the cooperative launching of all the Core Software to the initial program window and then subsequent validation of the proper function of the operating system.

"**Interim Services**" has the meaning set forth in Section 3.6 (*Stage 2 Transition*).

"**Interim Service Level Period**" has the meaning set forth in Section 6.2 (*Interim Service Level Targets*).

"**Interim Service Level Targets**" means those target levels identified in Section 4.0 of **Schedule D** (*Service Levels*).

"**Interim Services Period (ISP)**" means the period of time between Commencement Date and the completion of Stage 3 Process and Tools Implementation.

"**Interim Services Plan**" means the plan that outlines how IBM will deliver the Services during the Interim Services Period, including the assumption of Province responsibilities and use of tools and processes that the Province used in the provision of services prior to the Commencement Date.

"**Internet**" means a worldwide network of TCP/IP-based networks.

"**Intranet**" means the application of Internet technologies (such as servers) within an organization's internal computer network.

"**IP Rights**" means all intangible, intellectual, proprietary and industrial property rights, whether or not registered or registrable, and all tangible embodiments and derivative works thereof, howsoever created and wherever located, including all: (i) rights in respect of trademarks, trade names, service marks, slogans, domain names, URLs or logos; (ii) copyrights, moral rights, neighbouring rights, and other rights in works of authorship; (iii) database rights; (iv) rights in respect of industrial designs, integrated circuit topographies, and mask works; (v) patents and patent applications; and (vi) trade secrets, confidential information, know-how, show-how, and shop rights, and all applications, registrations, renewals, extensions, continuations, divisions, reissues, and restorations relating to any such rights (where applicable) now or hereafter in force and effect throughout all or any part of the universe (including any rights in any of the foregoing).

"**ISM**" means ISM Information Systems Management Canada Corporation.

"**IT Incident History**" means the database of records kept within the incident and problem management system that contain details of services requests received at and problems reported to the Service Desk and the record of actions taken with respect to the reported incidents and service requests.

"**Joint Executive Steering Committee**" has the meaning set forth in **Schedule P** (*Governance*).

"**Joint Program Office**" has the meaning set forth in **Schedule P** (*Governance*).

"**Joint Service Delivery Management Team**" has the meaning set forth in **Schedule P** (*Governance*).

"**JSDA**" means the Joint Solution Definition Agreement dated March 12, 2004 into between the Province and IBM.

"**JSRFP**" means the Joint Solution Request for Proposal #SATP-042 dated December 12, 2003 issued by the Province for the "Workplace Support Services Project".

"**Key Positions**" means the IBM Key Positions and Province Key Positions set forth in **Schedule M** (*Key Positions*).

"**Key Subcontracts**" means the subcontracts entered into between IBM each of ISM, Microserve and Tecnet.

"**Key Subcontractors**" means ISM, Microserve and Tecnet or any replacement subcontractor in accordance with Section 26.9 (*Consent to Use of Subcontractors*).

"**Labour Disruption**" means a labour dispute, lockout, strike or other industrial action or labour strife, whether direct or indirect and whether lawful of unlawful.

"**Labour Disruption Plan**" has the meaning set forth in Section 25.3 (*Labour Disruption Plan*).

"**LAN Administration**" has the meaning set forth in **Schedule B-7** of **Schedule B** (*Services*).

"**Legacy Provincial Image**" means the images documented and deployed in the Client User environment as of the Commencement Date. These images are limited to the English versions of Windows XP Professional, Windows 2000 Professional and Windows NT Workstation editions, and the Microsoft applications contained therein, for as long as Microsoft provides either free hot fixes or hot fixes via a Province retained Microsoft agreement. No additional software is included in these images for image support purposes.

"**Level 1**" means, with respect to Service Desk support, the following responsibilities for IT (Information Technology) calls: 1) answering the incoming call, e-mail or VHD; 2) recording all calls; 3) gathering the Client User information; 4) obtaining resource status; 5) accessing VHD on-line information; 6) responding to Client User requests for information; 7) handling routine product usage problems; 8) transferring calls to the appropriate support group; 9) dispatching on-site assistance; 10) opening the call record; 11) informing the Client User of the status of a call; 12) calling the Client User for further information; and 13) closing the call record.

With respect to Service Desk support responsibilities for IM/LOB (Information Management/Line of Business) calls: 1) answering the incoming call, email, or VHD; 2) recording all calls; 3) gathering the Client User information; 4) attempt to resolve calls by using scripts provided by the LOB Help Desks; 5) transferring calls to the appropriate LOB support group.

"**Level 2**" means all Level 1 problem determination plus additional problem determination and resolution including problem source identification (PSI), and problem analysis (PA). Level 2 is performed by technical support specialists that may or may not report to the Service Desk. Level 2 Responsibilities include but are not limited to: 1) solving the remainder of the problems, short of defects in the product; 2) documenting all actions in the record; 3) calling the customer for further information; 4) performing root cause analysis when required; 5) working with vendors (as appropriate) to resolve problems; 6) assisting in the use of supported products; 7) making recommendations for process and tool improvements; 8) contacting other support groups/organizations as required; 9) interfacing with other systems, networks and operating system environments; 10) routing to other levels of support as required; and 11) providing documentation and training for Level 1 support.

"**Level A Service Level Requirement**" means a Service Level Requirement designated as level "A" in the column entitled "Category" in Section 3 of **Schedule D** (*Service Levels*).

"**Level B Service Level Requirement**" means a Service Level Requirement designated as level "B" in the column entitled "Category" in Section 3 of **Schedule D** (*Service Levels*).

"**Level C Service Level Requirement**" means a Service Level Requirement designated as level "C" in the column entitled "Category" in Section 3 of **Schedule D** (*Service Levels*).

"**License Agreement**" has the meaning set forth in Section 3.7 (*Province License for Space*).

"**Lien**" has the meaning set forth in Section 32.6 (*No Liens or Charges against Provincial Assets*).

"**Limited Effort Support**" the meaning set forth in Section 3 of **Schedule I** (*Applications and Operating Software Lists*).

"**Line of Business (LOB)**" means a Client Ministry or a department within a Client Ministry where the department delivers services directly to the citizens of the Province or other Ministries within the Province.

"**Local Area Network or LAN**" means the configuration (hardware components, software, and communications devices) used to transmit and receive data signals within a Facility.

"**Machines**" shall have the meaning set forth in **Schedule Y** (*Purchase Terms and Conditions).*

"**Manager**" means a senior manager within IBM designated as Band 10 or higher under IBM's human resource policies (or equivalent in the event such designations are replaced or renamed in the future), who have a level of functional responsibility and responsibility for supervising and directing employees. For greater certainty, "Manager" shall include the IBM Project Executive.

"**Margin Sharing Credits**" has the meaning set forth in Section 13.3 (*Gain Sharing*).

"**Master Transfer Agreement**" means the Master Transfer Agreement between the Parties of even date.

"**Microserve**" means 341234 B.C. Ltd. carrying on business as Microserve Business Computer Services.

"**Ministry**" means the Ministry of Management Services of the Province of British Columbia, and any successor thereto.

"**Modification**" means all corrections, modifications, enhancements, improvements, supplements, configurations, customizations or derivative works.

"**Monthly Services Charge**" has the meaning set forth in **Schedule F** (*Charges*).

"**Move**" has the meaning set forth in the Section entitled "Service Usage and Measurement Methodology" of **Schedule F** (*Charges*).

"**New Intellectual Property**" means all Works and Materials created or acquired pursuant to this Agreement, including all IP Rights therein, but excluding Modifications to IBM Intellectual Property, Province Intellectual Property or Third Party Intellectual Property.

"**New Records**" means any Record created by IBM in the performance of the Services which contains Personal Information, Province Confidential Information or other similar types of Records relating to the Services performed by IBM, and for greater clarification does not include any Records created or maintained by IBM for internal or management purposes which do not contain any Province Confidential Information or any Personal Information.

"**New Service**" means the Services set forth in **Schedule B-21** of **Schedule B** (*Services*).

"**Non-BC Public Sector**" has the meaning set forth in Section 13.2 (*Marketing and Reference Assistance*).

"**Nonstandard Product**" means hardware or software, which is not a Standard Product

"**Nonstandard Technology Product**" means products that are not Standard Technology Products.

"**NOS**" means network operating system.

"**O/C**" means order confirmation.

"**OEM**" means original equipment manufacturer.

"**On-site Service Support**" has the meaning set forth in **Schedule B-3** of **Schedule B** (*Services*)

"**Operational Audit**" means an audit related to the operational aspects of the Agreement and the Services to certify or verify the materials set forth in Section 15.13 (*Operational Audit Rights*).

"**Operational Change Management Process**" means the operational change management process as set forth in the Process Interface Manual.

"**Operational Changes**" has the meaning set forth in Section 17.1 (*Operational Change Management*).

"**Operational Reporting**" has the meaning set forth in **Schedule S** (*Reporting*).

"**Order Management**" means the system and support processes for the acquisition of distributed computing technology assets (hardware and software) set forth in **Schedule B-6** of **Schedule B** (*Services*).

"**Order Placement Time**" means the elapsed time measured from the time IBM receives a Province-approved and complete request for order placement, to the time IBM submits the order to the appropriate vendor(s).

"**Order Representative**" means a Province-designated individual with the authority to place orders, initiate change orders, and other mutually agreed activities and who will act as an interface to IBM relative to any communications with respect to the Province's orders.

"**Organizational Structure**" has the meaning set forth in Section 14.17 (*Organizational Structure of IBM and Subcontractors*).

"**Original ASC**" means the total ASC specified in this Agreement as of the Effective Date.

"**Partial Commencement**" has the meaning set forth in Subsection 3.5(b) (*Failure to Complete Stage 1 Transition*).

"**Parties**" means the Province and the IBM, and "**Party**" means either one of them, as applicable.

"**Pass-Through Expenses**" has the meaning set forth in Section 12.9 (*Expenses*).

"**Payable Date**" has the meaning set forth in the Section entitled "Charges, Credits and Payments" of **Schedule F** (*Charges*).

"**PDA**" means a personal digital assistant (e.g., BlackBerry, PalmPilot, PocketPC)

"**PDP**" means pre delivery preparation.

"**Permanent Move Date**" has the meaning set forth in Section 3.7 (*Province License for Space*).

"**Person**" means any natural person, corporation, division of a corporation, partnership, joint venture (which includes a co-ownership), association, company, estate, unincorporated organization, society, trust, government, agency or Governmental Authority.

"Personal Information" means:

(a) all recorded information that is:

(i) about an identifiable individual and is defined as "personal information" pursuant to the *Freedom of Information and Protection of Privacy Act* (British Columbia),

(ii) transferred to, collected or compiled by, or otherwise under the Custody or Control or is in possession of IBM in the course of performance of the Services under this Agreement, and

(iii) about Province customers or members of the public or employees of or consultants to the Province, the Client Ministries which is under the Custody or Control or is in possession of the Province or of any "public body" (as such term is defined in the *Freedom of Information and Protection of Privacy Act* (British Columbia)), or is otherwise held by IBM on behalf of the Province; and

(b) all information that the Parties agree in writing through Change Order Process is "Personal Information".

"**Personnel**" has the meaning set forth in Section 8.11 (*General Principles Regarding Personnel*).

"**Price Index**" has the meaning set forth in the Section entitled "Economic Change Adjustment" of **Schedule F** (*Charges*).

"**Privacy Impact Assessment**" means privacy impact assessment within the meaning of the Core Policy Manual.

"**Privacy Obligations**" means those obligations set out in **Schedule R** (*Privacy Obligations*) which come in to effect only when and to the extent expressly adopted in a Change Order.

"**Private Sector**" has the meaning set forth in Section 13.2 (*Marketing and Reference Assistance*).

"**Problem**" has the meaning set forth in Section 6.6 (*Problem Alert and Escalation Procedures*).

"**Problem Alert and Escalation Procedures**" has the meaning set forth in Section 6.6 (*Problem Alert and Escalation Procedures*).

"**Process Interface Manual**" means the manual (electronic or hard copy) describing the operating policies and interface points between the Province and IBM in the performance of the Services.

"**Product Catalog**" contains a list of the mutually agreed upon Standard Products which are available for order via the Order Management services.

"**Programs**" shall have the meaning set forth in **Schedule Y** (*Purchase Terms and Conditions*).

"**Project**" means the services described in a Project Plan that, when signed by the Province and IBM, become Services under this Agreement. The charges, if any, for a Project will be set forth in the Project Plan.

"**Project Change Request**" or "**PCR**" has the meaning set forth in the Section entitled "Project Change Control" of **Schedule B-15** (*Projects*) of **Schedule B** (Services).

"**Project Manager**" has the meaning set forth in the Section entitled "Project Management Process" of **Schedule B-15** (*Projects*) of **Schedule B** (Services).

"**Project Plan**" has the meaning set forth in the Section entitled "Projects" of **Schedule F** (*Charges*).

"**Project Rates**" means Hourly Service Rates.

"**Project Services**" has the meaning set forth in **Schedule B-15** of **Schedule B** (*Services*).

"**Promotional Materials**" has the meaning set forth in Section 13.4 (*Promotional Materials*).

"**Protection Index**" has the meaning set forth in the Section entitled "Economic Change Adjustment" of **Schedule F** (*Charges*).

"**Province**" has the meaning set forth in the first paragraph of this Agreement.

"**Province Confidential Information**" means any technical, business, financial, personal, employee, operational, scientific or other information or data of the Province that, at the time of disclosure: (i) is designated as confidential (or like designation), (ii) is disclosed in circumstances of confidence, or (iii) would be understood by a Person exercising reasonable business judgment to be confidential. The "Province Confidential Information" may include information or data in whatsoever form or media, whether in writing, in electronic form or communicated orally or visually. Without limiting the generality of the foregoing, the Province Confidential Information shall include the Personal Information (if applicable), the Province Intellectual Property, Province Records, and any other information regarding the Province's business, plans, operations and markets, and information of or relating to the Province's customers and stakeholders.

"**Province Equipment**" means the equipment listed as Province equipment on **Schedule J** (*Equipment*) that are owned, leased or rented by the Province on or after the Effective Date and used by IBM to provide the Services.

"**Province Facilities**" or "**Province Facility**" means any location that is owned, leased, rented, or used by the Province and as of the Effective Date are those Province Facilities listed in Section 2 of **Schedule L** (*Facilities*).

"**Province Focal Point**" means the individual designated by the Province to act as the single point of contact within a specified Services area or Facility to whom IBM may direct all communications related to such Services area.

"**Province Indemnified Parties**" has the meaning set forth in Section 22.3 (*Indemnification by IBM*).

"**Province Intellectual Property**" means all Works and Materials developed or owned by the Province prior to the Term or during the Term but outside of this Agreement, including all IP Rights therein.

"**Province Key Positions**" means those positions set forth in **Schedule M** (*Key Positions*).

"**Province Mark**" has the meaning set forth in Section 11.1 (*Province Marks*).

"**Province Project Manager**" has the meaning set forth in **Schedule B-15** of **Schedule B** (*Services*).

"**Province Records**" means all business related information and related paper files, contracts, drawings, records and information of the Province customers, and all data records relating to any of the foregoing in paper or electronic form, relating to the business of the Province relevant to the performance of the Services and other transactions contemplated in this Agreement, and includes New Records.

"**Province Residual Information**" has the meaning set forth in Section 14.14 (*Residual Information*).

"**Province Shared Infrastructure**" means those parts or components of certain infrastructure and systems owned and operated by the Province, or on behalf of the Province by a third party, which are required by IBM to support the delivery and performance of the Services, and which infrastructure and systems are shared resources of the Province used to support other services and other uses by the Province as well, as such infrastructure and systems are expressly and specifically listed in **Schedule E** *(Province Shared Infrastructure).*

"**Province Subcontractors**" means contractors, vendors, agents, and consultants selected and retained by the Province.

"**Province Support Personnel**" means the directors, officers, employees, Province Subcontractors and those of any Province Subcontractor or agent performing work or providing the services for the Province.

"**Province Termination Event**" has the meaning set forth in Section 18.4 (*Province Termination Event*).

"**Province Transition Focal Point**" supports the IBM Transition Manager or project manager in implementing transition activities as defined in the Transition Plan.

"**Provnet**" means a virtual phone network/service provided to the Province by TELUS.

"**PST**" means all applicable provincial sales or service taxes payable in pursuant to the *Social Services Tax Act* (British Columbia) as the same may from time to time be amended or replaced.

"**Publicity Materials**" has the meaning set forth in Section 32.19 (*Publicity*).

"**Reasonable Currency**" means, with respect to Applications Software and Systems Software, that the new release or version of such Software is installed no later than 12 months after the date the licensor makes such release or version generally available.

"**Records**" means books, records, reports, documents, maps, drawings, correspondence, system logs, system development records, accounts, invoices, backup data (including original source documents) and other similar documents, images, writings or information by any means whether graphic, electronic, audio, mechanical or otherwise.

"**Recovery Time Objective**" means the recovery time objectives set forth in Exhibit X to **Schedule X** (*Service Recovery Plan*).

"**Reduced Service Usage Credit**" or "**RRC**" means the credit, as set forth in **Schedule F** (*Charges*), to the Province if the Province's usage of a Service Unit is less than the applicable Baseline.

"**Refresh**" means a scheduled technology change of an existing Supported Desktop.

"**Remediation Plan**" has the meaning set forth in Section 6.10 (*Remediation Plan*).

"**Remote Site**" means a location identified and listed in **Schedule L** (*Facilities*) and where no support is available locally or in a radius of 25km.

"**Renewal Agreement**" has the meaning set forth in Section 2.6 (*Renewal Negotiations*).

"**Renewal Term**" has the meaning set forth in Section 2.4 (*Renewal Option*).

"**Representative Sample**" has the meaning set forth in Section 9.3 (*Comparison to Representative Sample*).

"**Required Consents**" means for any software licensed to the Province or hardware owned by the Province required consents or approvals required to give IBM, its Affiliates and their Subcontractors the right or license to use, execute, reproduce, display, perform, distribute copies of, and modify (including creating Derivative Works), any services, products, programs, materials, information, or facilities that IBM may use or access in providing the Services under this Agreement.

"**Roaming Profile Users**" has the meaning set out in Section 4 of **Schedule F** (*Charges*).

"**RRC Deadband**" means the percentage below the Baseline within which RRCs will not apply but, when exceeded, RRCs will apply.

"**RRC Deadband Baseline**" has the meaning set forth in the Section entitled "Additional or Reduced Service Usage" of **Schedule F** (*Charges*).

"**Rules**" has the meaning set forth in Section 24.2 (*Arbitration*).

"**Rural Site**" means a location identified and listed in **Schedule L** (*Facilities*) and where limited technical support is available locally.

"**Schedules**" means the Schedules expressly referenced in and attached to this Agreement. A Schedule includes the Exhibits expressly referenced in and attached to a Schedule.

"**Seat Cost**" has the meaning set forth in **Schedule F** (*Charges*).

"**Seats**" means a Supported Client Device.

"**Security Obligations**" means those security requirements agreed by the Parties and documented in a general security document (e.g. an IBM GSD 331).

"**Self Help**" has the meaning set forth in **Schedule B-9** of **Schedule B** (*Services*).

"**Service Desk**" has the meaning set forth in **Schedule B-1** of **Schedule B** (*Services*).

"**Service Hours**" means the hours during which IBM will provide each of the Services as set forth in the Section entitled "Service Hours" of **Schedule B-14** (*Common Services*) of **Schedule B** (*Services*).

"**Service Levels**" or "**Service Level**" means the Service Level Requirements and the Service Level Objectives established for certain of the Services, as set forth in Section 3 of **Schedule D** (*Service Levels*).

"**Service Level Credit**" has the meaning set forth in Section 6.11 (*Service Level Credits*).

"**Service Level Objectives**" means the service delivery objectives established for certain of the Services as set forth in **Schedule D** (*Service Levels*).

"**Service Level Requirements**" means the service delivery requirements established for certain of the Services as set forth in **Schedule D** (*Service Levels*).

"**Service Management**" has the meaning set forth in **Schedule B-2** of **Schedule B** (*Services*).

"**Service Transition Champions**" a Province employee who is positioned as a focal point within each Ministry to support the Transition Team in executing service Transition implementation activities.

"**Service Unit**" or "**SU**" means a unit of resource for which IBM and the Province have established a Baseline, as set forth in **Schedule F** (*Charges*).

"**Services**" means each of the services and functions described in **Schedule B** (for certainty **Schedules B-1** to **B-21**) (*Services*), as such Schedule may be amended by the Change Order Process according to the service being provided as applicable in Exhibit F-X of **Schedule F** (*Charges*).

"**Services Completion Time**" means the elapsed time measured from the time IBM receives a request from the Province for Services to the time IBM completes the Services.

"**Services Recovery Plan**" has the meaning set forth in **Schedule X** (*Services Recovery*).

"**Severity Code**" means the severity designation assigned to a problem call as follows:

> "**Severity Level 1 (Critical)**" means that an incident has occurred where there is severe impact on service delivery, the client and its staff and no alternative or bypass is available. This category requires immediate attention and work will continue until the incident has been solved or a work around has been identified and implemented.
>
> "**Severity Level 2 (High)**" means that an incident has occurred where there is impact to service delivery, a client and its staff and there is limited acceptable alternatives or bypasses available. This category requires immediate attention and work will continue on a workday basis until the incident has been solved, or a work around has been identified and implemented or the priority is reduced.

"**Severity Level 3 (Medium)**" means that a non-critical incident has occurred and there is no immediate impact on service delivery, a client or its staff and an alternative or bypass is available. Problems that would otherwise be considered Severity Level 1 or Severity Level 2 but that has an acceptable alternative or bypass available will also be designated a Severity Level 3.

"**Severity Level 4 (Low)**" means that a incident has occurred that has a minor impairment on service delivery, a client or its staff and either an alternative is available or deferred maintenance is acceptable.

"**Shared Infrastructure Credit**" has the meaning set forth in Subsection 29.6(b) (*Payments from IBM*).

"**Shared Infrastructure Use Period**" has the meaning set forth in Section 29.2 (*Use of Province Shared Infrastructure*).

"**SMS Services**" has the meaning set forth in **Schedule B-19** of **Schedule B** (*Services*).

"**Software**" means software applications, software tools, methodologies and computer programs, including all versions thereof, and all related documentation, manuals, program files, data files, computer related data, field and data definitions and relationships, data definition specifications, data models, program and system logic, program modules, routines, sub-routines, algorithms, program architecture, design concepts, system designs, program structure, sequence and organization, screen displays and report layouts, technology and techniques, object code (and if obtained, source code) and interfaces.

"**Software Asset Management**" has the meaning set forth in **Schedule B-11** of **Schedule B** (*Services*).

"**Software Support Level**" has the meaning set forth in Section 3 of **Schedule I** (Application and Operating Software Lists).

"**SPANBC**" means the shared Provincial access network that connects provincially owned or leased office sites and buildings.

"**Special Assembly**" has the meaning set forth in **Schedule B-17** of **Schedule B** (*Services*).

"**Special Customer**" has the meaning set forth in **Schedule B-20** of **Schedule B** (*Services*).

"**Special Handling**" has the meaning set forth in **Schedule B-16** of **Schedule B** (*Services*).

"**Stage 1 Transition**" has the meaning set forth in **Schedule Z** (*Transition*).

"**Stage 2" Transition**" has the meaning set forth in **Schedule Z** (*Transition*).

"**Stage 3" Transition**" has the meaning set forth in **Schedule Z** (*Transition*).

"**Stage 4" Transition**" has the meaning set forth in **Schedule Z** (*Transition*).

"**Standard Configuration**" means the set of hardware components comprising a particular system configuration for which IBM will provide the Services and that are set forth in **Schedule K** (*Standards - Hardware*).

"**Standard Products**" means the hardware and software for which IBM will provide the Services and that are set forth in **Schedule K** (*Standards - Hardware*) and **Schedule I** (*Application and Operating Software Lists*).

"**Standard Technology Product**" means a desktop or a laptop or a monitor or a Thin Client Device or a Citrix client access software license (CAL).

"**Standards**" has the meaning set forth in **Schedule K** (*Standards - Hardware*).

"**Subcontractors**" means contractors, vendors, agents, and consultants selected and retained by IBM and, for certainty, excludes the Assigned Contract.

"**Supported Client Device**" means a Supported Desktop or a Thin Client Device.

"**Supported Desktop**" means an Client User device, floor-standing or portable microcomputer, which consists of a system unit, a display monitor, a keyboard, a mouse, one or more diskette drives, and internal fixed disk storage for which IBM will provide the Services. Supported Desktops are listed in **Schedule K** (*Standards - Hardware*) and included existing workstations until refreshed in accordance with **Schedule G** (*Technical Transition/Refresh*).

"**Supported Desktop Software**" means the software residing on a Supported Desktop, including all supporting documentation and media that IBM will support. **Schedule I** (*Application and Operating Software Lists*) lists the Supported Desktop Software.

"**Supported SMS Server**" means a Microsoft SMS 2003 server set forth in **Schedule J** (*Equipment*) as modified or upgraded from time to time. A Supported SMS Server is considered a Services Machine.

"**Supported Software**" means software as outlined in **Schedule I** (*Application and Operating Software Lists*).

"**Swing Space**" means the Province Facilities identified in the License Agreement (including, for certainty the Victoria Swing Space).

"**Swing Space Services**" means the workstations, servers, telecommunications and other equipment and support services (including physical security) to be provided by the Province to IBM in respect of the Swing Space, as more particularly described in the License Agreement between the Parties of even date.

"**Systems Software**" means the programs, including all source code (if applicable), supporting documentation and media that: 1) perform tasks basic to the functioning of data processing and telecommunication; 2) are required to operate the Applications Software; and 3) are listed as Systems Software in **Schedule I** (*Application and Operating Software Lists*).

"**Taxes**" means all applicable taxes (such as sales, use, gross receipts, excise, occupation, value-added, and other transaction-based taxes), duties, levies, and fees on IBM's Charges or the Services under this Agreement but excluding capital gains taxes, income taxes, corporate capital taxes and other taxes of such nature.

"**Taxing Authority**" means any multinational, national, federal, state, provincial, local, municipal or other government (including any governmental agency, branch, department, official, entity, court or other tribunal and any body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory or taxing authority or power of any nature) responsible for the imposition or collection of any Taxes.

"**Technology Engineering Services**" has the meaning set forth in **Schedule B-8** of **Schedule B** (*Services*).

"**Tecnet**" means Tecnet Canada Inc.

"**Term**" means the Initial Term of this Agreement and any Renewal Term, Extension or the Termination Assistance Period (during which IBM provides the Termination Services).

"**Termination**" means the expiry or earlier termination of this Agreement pursuant to the provisions of this Agreement.

"**Termination Assistance Period**" has the meaning set forth in Section 19.1 (*Termination Services*).

"**Termination Assistance Plan**" has the meaning set forth in Section 19.2 (*Termination Assistance Plan*).

"**Termination Date**" has the meaning set forth in Section 18.7 (*Termination Notice*);

"**Termination Fee Grid**" or "**termination fee grid**" means the table set forth in **Schedule O** (*Termination Fees*).

"**Termination For Convenience Fees**" means the charge for the termination of this Agreement by the Province for convenience as set forth in Exhibit O-1 to **Schedule O** (*Termination Fees*).

"**Termination Notice**" means the written notice given by one Party to the other Party in accordance with Section 18.7 (*Termination Notice*).

"**Termination Services**" has the meaning set forth in Section 19.1 (*Termination Services*).

"**Thin Client Device**" has the meaning set forth in Section 4 of **Schedule F** (*Charges*).

"**Third Party**" or "**Third Parties**" means any entity or person other than IBM and the Province and their respective Affiliates, directors, officers, and employees.

"**Third Party Intellectual Property**" means all Works and Materials owned by a Person other than the Province or IBM, including all IP Rights therein.

"**Third Party Software**" has the meaning set forth in Subsection 19.1(h) (*Termination Services*).

"**Tools**" means the items listed in Exhibit B-1 of **Schedule B** (*Services*).

"**Transaction Documents**" means, collectively, this Agreement, the Master Transfer Agreement, the License Agreement, and any other documents referred to herein or therein.

"**Transaction Summary**" means the summary of this Agreement and the transactions contemplated under this Agreement.

"**Transferred Employees**" has the meaning set forth in the Master Transfer Agreement.

"**Transition**" has the meaning set forth in **Schedule Z** (*Transition*).

"**Transition Manager**" has the meaning set forth in the Section entitled "Transition Overview" of **Schedule Z** (*Transition*).

"**Transition Period**" has the meaning set forth in Section X of **Schedule Z** (*Transition*).

"**Transition Plan**" has the meaning set forth in Section X of **Schedule Z** (*Transition*).

"**Transition Requirements**" has the meaning set forth in Section 3.3 (*Transition Requirements*).

"**Transition Services**" means the services described in **Schedule Z** (*Transition*).

"**Transition Team**" has the meaning set forth in Section 1.0 (*Introduction*) of **Schedule Z** (*Transition*).

"**Treasury Board**" has the meaning set forth in *Financial Administration Act* (British Columbia).

"**Trust Rights**" has the meaning set forth in Section 10.6 (*Assignment Re: Intellectual Property*).

"**Unmanaged Workstation Assumption**" has the meaning set out in Section 4 of **Schedule F** (*Charges*).

"**Urban Site**" means a location identified and listed in **Schedule L** (*Facilities*) and where comprehensive technical support is available locally.

"**Use**" means use, execute, reproduce, display, perform, distribute (internally) and modify (including to create Derivative Works from).

"**User Identification or ID**" means a string of characters (i.e., a user name or a password) that uniquely identifies a user to a system and enables access to a system or specific data residing on a system.

"**US Personnel**" has the meaning set forth in **Schedule R** (*Privacy and Security*).

"**Very Important Person (VIP)**" means Client Users that the Client has designated to be a very important person and shall be set out in the Process Interface Manual.

"**VHD**" means virtual help desk.

"**Virus Signature File**" means, with respect to system or program viruses, a file containing known unique virus identifiers (for example, virus name) and information.

"**Victoria Swing Space**" has the meaning set forth in the License Agreement.

"**Works and Materials**" means discoveries, research, developments, designs, improvements, innovations, inventions, blueprints, Software, databases, hardware, equipment, machines, manufactures, compositions of matter, industrial designs, formulae, integrated circuit topographies and integrated circuit topography products, mask works, methods, concepts, processes, procedures, practices, business plans, marketing ideas and materials, trademarks, trade names, service marks, slogans, domain names, URLs, logos, works subject to copyright, and other technologies, works and creations now existing or developed in the future, whether or not registered or registrable, patentable or non-patentable, or confidential or non-confidential.

"**Workstation Image Elements**" means a Supported Desktop hardware device driver, Core Software and one of the following:

(a) Supported Desktop using the most current English version "N" of Microsoft Windows operating system;

(b) Supported Desktop using one (1) English version older, "N minus one (-1)" of Microsoft Windows operating system; and

(c) DTS Terminal using the most current version "N", for example as of Commencement Date, this will be either Microsoft Windows CE operating system.

Schedule

B-1 – Statements of Work: Service Desk

1. Introduction

IBM will staff the Service Desk function and provide tools and processes to act as the single point of contact for clients who require assistance in the resolution of Incidents, Problems, concerns, and questions related to the use and performance of their workstation hardware, core software, supported software and Line of Business application software and to request Services. Calls into the Service Desk will be answered in English.

IBM will provide the full scope of Service Desk Services as set forth below and during the days and hours of service are as described in the Common Services Schedule.

2. General Services

IBM will:

2.1.1. provide a single point of contact for all Services for the days and hours of service as described in Common Services.

2.1.2. provide end-to-end management of calls for information, Incidents and Problems for workplace support services using an IBM provided call management system. Call management will include, receipt, logging categorization, dispatch and tracking through to completion as defined in the Process Interface Manual;

2.1.3. document all calls received by the service desk. Documentation will include Client User information, document or call record number, date and time opened, service requested, problem description or symptoms, assignment call status, and call escalation, call resolution and call closure information;

2.1.4. route calls that are out of scope for the service offering to the appropriate Province retained support group responsible for providing the support for these calls, including Client retained support groups via a remote queue from IBM's incident management system;

2.1.5. perform problem analysis, including identification of the source of the Problem;

2.1.6. provide problem management information for identifying repetitive Problems;

2.1.7. provide Level 1 support for Standard Products;

2.1.8. provide Level 1 support for approved Client Line of Business applications based on scripts provided by Clients;

2.1.9. perform password resets for Client User's IDIR accounts;

2.1.10. provide call status for Client User requests;

2.1.11. dispatch or arrange for support when required, for problem determination and resolution;

2.1.12. validate, for Client Users requesting chargeable support for Standard Products on non-Province Facilities, that the Client User and their location have been pre-approved for support services;

2.1.13. for Client Users requesting chargeable support for Standard Products on non-Province Facilities, where the Client User and their location are not pre-approved for support services, dispatch IBM Support Personnel to perform the requested Service, including assisting the Client User to complete the home support authorization form, as outlined in On-site Service Support, and advise the Province Focal Point;

2.1.14. notify the Province Focal Point of systems or equipment failures, or of an emergency, according to the Process Interface Manual;

2.1.15. provide a systems status recording through the ACD with status information on enterprise level Incidents. The recording will include estimated recovery times, options for recovery, and will be updated as changes to the Incident occurs;

2.1.16. interface with and coordinate problem determination and resolution with the Province Focal Point or Third Party service providers;

2.1.17. monitor problem status to facilitate problem closure within defined Service Level criteria or escalate in accordance with the escalation procedures as defined in the Process Interface Manual;

2.1.18. establish and maintain a problem resolution database;

2.1.19. establish and maintain Call prioritization guidelines and escalation procedures with the Province's assistance and document in the Process Interface Manual;

2.1.20. develop Service Desk interface processes and procedures and provide to the Province for distribution to Client Users;

2.1.21. maintain a contact list of IBM Focal Points, including names and telephone and pager numbers, and provide to the Province each time it changes for distribution;

2.1.22. communicate to the Province Focal Points on available Services and the procedures for accessing each Service;

2.1.23. provide standard reports to the Province, as defined in the Operational Reporting Schedule;

2.1.24. identify to the Province, when and where appropriate, Client Line of Business application self help script that would assist in the resolution of problems as defined in the Operational Reporting Schedule;

2.1.25. use IDIR for confirming entitlement to services;

2.1.26. request approval from the Client User prior to utilizing remote desktop access capability to remotely diagnose and resolve Incidents and Problems for each Incident. Requests will take the

form of a pop-up window which the Client User must be present to press the 'Okay' button before access is granted.

2.1.27. lead in the development of the Process Interface Manual for the service desk and the associated service provision with the Province;

2.1.28. set up Service Desk analyst's with Provnet phone number connection;

2.1.29. use Provnet for incoming calls; and

2.1.30. use alternate telecommunications arrangements for outgoing calls.

3. Province Responsibilities

The Province will:

3.1.1. ensure that the Client is responsible for all Client User training in the use of the technology they are entitled to use;

3.1.2. for the Province retained services, provide status information updates to IBM as outlined in the Process Interface Manual;

3.1.3. provide a list of authorized client users who may request chargeable support for Standard Products on non-Province Facilities;

3.1.4. ensure that the Client Users and their locations have been pre-approved for support services;

3.1.5. pay IBM for Services performed for non pre-approved Client User who has requested chargeable support for Standard Products on non-Province Facilities;

3.1.6. maintain and provide to IBM a Province contact list identifying backups and escalations including names, telephone and pager numbers for use by Service Desk staff to contact appropriate Client personnel for problem determination assistance and escalation for Province retained support services;

3.1.7. provide a Province Focal Point to interface with IBM for day to day operational matters and escalations;

3.1.8. assist IBM in establishing Call prioritization guidelines and escalation procedures;

3.1.9. distribute interface processes and procedures on how to access the Service Desk to Client Users;

3.1.10. communicate support responsibilities and procedures, as outlined in the Process Interface Manual, to the Province retained support and Province Third Party service providers for monitoring, updating, and closing tickets that are assigned through IBM's incident and service management system and ensure adherence to such procedures;

3.1.11. assist IBM as requested in the resolution of recurring problems which are outside IBM's ability to resolve in a time frame consistent with the assigned problem Severity Code as defined in the Process Interface Manual and associated Schedule D - Service Levels

3.1.12. address Province Third Party service provider performance problems affecting IBM's ability to provide the Services;

3.1.13. be responsible for all Province Third Party support costs;

3.1.14. be responsible for the resolution or closure of all calls related to products and services that are not within the scope of Services;

3.1.15. assist IBM when and where appropriate, with scripts/knowledgebase articles for Ministry Line of Business applications that will enable more Level 1 call resolution and the automation of calls using the self help tools;

3.1.16. Promote the use of remote desktop capabilities to Clients.

3.1.17. through Client Users provide approval to allow IBM to perform remote desktop access in order to remotely diagnose and resolve Incidents and Problems. Client Users will provide approval by pressing the 'Okay' button on the pop-up window prior to IBM performing remote desktop access services. The Client User can view all of the remote access activities performed by IBM and can cancel IBM's remote desktop access at any time;

3.1.18. assist in the development of the Process Interface Manual for the Service Desk and the associated service provision with IBM;

3.1.19. provide access to IDIR for IBM to use with the call management tool to confirm Client Users entitlement;

3.1.20. allow IBM to connect its telephone switching device to Provnet;

3.1.21. manage and administer Provnet;

3.1.22. direct an existing government toll free number to the Service Desk for inbound calls originating outside of Provnet;

3.1.23. direct the Province's telecommunications provider to provide direct in dial numbers from Provnet to the Service Desk; and

3.1.24. establish service agreements between the Province and the Client for Line of Business application support.

4. Changes to Service Desk Services

4.1. The Parties acknowledge and agree that the Service Desk Services provided by IBM under this Agreement (i) are related solely to information technology provided by IBM or its Affiliates; (ii) are being provided solely from facilities owned or leased by IBM or its Affiliates; and (iii) IBM or its Affiliates are providing substantially all automated call processing and updating all databases associated with the Service Desk Services. In relation to any Service Desk Services or call centres that the Province may provide, neither IBM nor its Affiliates shall be responsible for: determining whether the Province requires a license to any patents owned or licensable now or hereafter by Ronald A. Katz or Ronald A. Katz Technology Licensing, L.P ("Katz Patents"), obtaining any such license on the Province's behalf, or paying any fees relating to any such licenses.

4.2. If the Province requests any changes to the Service Desk Services provided by IBM under this Agreement which impacts any of the provisions of (i), (ii) or (iii) above, IBM will advise the Province of reasonable alternatives to the Change Request which do not impact those provisions. In the event the Province wishes to proceed with the change as requested, IBM and its Affiliates shall not be liable to the Province or be required to indemnify the Province for any claims of patent infringement, including contributory infringement or inducement to infringe, or any Katz Patents.

Schedule
B-2 – In-flight Project Services

1. Introduction

This Schedule describes In-flight Project Services to be performed under the Agreement. In-flight Projects are described in Section 2.0 below and include the project name, the Client organization where the In-flight Project is being performed, the description of the In-flight Project and Deliverables. In-flight Project Services charges will be invoiced as an additional charge to the Province. The Parties will work together during Transition to identify In-flight Projects in the Client organizations. Any In-flight Projects not addressed in this Schedule will be handled through the Change Order Process.

2. In-Flight Projects

In-flight Projects are:

(a) those projects that may be defined with a documented Province project plan;

(b) related to or part of the Services; and

(c) prior to the Commencement Date were performed by Transferred Employees.

The Province will be responsible to pay for all work effort performed under and delivered as part of In-flight Project work after the Commencement Date.

Project Name	Description	Client Group	Deliverables	Effort Days	Percentage Complete	Required Completion Date

Project Name	Description	Client Group	Deliverables	Effort Days	Percentage Complete	Required Completion Date
Remote Desktop Management (RDM) Rollout	Expand capacity of the Province's System Management Server (SMS) infrastructure and add new Client groups. This also entails the renaming of machines if required, and the move to Province's Corporate Windows Internet Name Service, Domain Name System and Dynamic Host Configuration Protocol.	Attorney General (AG) Sustainable Resource Management (SRM) Water Land Air Protection (WLAP) Forests Health	SMS clients on all Client machines. Client machines are being patched through RDM's custom process.	1 Full Time Equivalent (FTE)–AG 1 FTE–SRM, WLAP & Forests. Health not started	40%	Originally Targeted for completion Dec 1, 2004.
Time OnLine software application	Roll out software required for Time On Line and troubleshoot any failures	RDM Clients	Package Macromedia and Java Runtime Environment software versions and deploy via RDM	10	90%	Dec31, 2004
Office XP sp3 Office 2000 sp3	Roll out the service pack to all Clients. Due to the complexity of this task it has become a larger project	RDM Clients	All RDM Clients having Office XP have sp 3 installed and all who have Office 2000 have sp 3 installed	10	10%	In Pilot, Targeted for Jan 1, 2005

Project Name	Description	Client Group	Deliverables	Effort Days	Percentage Complete	Required Completion Date
Core Image	Create a core image for Microsoft's XP Professional (XP Pro) operating system software with Service Pack 2 (SP2), Microsoft's Office 2003 software and the rest of the Core Software suite. This included the group policies required for post Remote Installation Service (RIS) software installation and firewall management	All Clients	An image and process for creating the image are created and confirmed by Client organizations	25	50%	Currently being Documented by CITS, Completion date Mar, 2005.
Workstation Administrator Rights and Organizational Unit (OU) Security	Define and implement the membership in local administrators group for all Client workstations and define and implement the OU security rights and roles in the Province's Active Directory	All Clients	All workstations have standard, well defined groups in their local administrators group. OU access and management is locked down to only those who require access. Processes and procedures are followed for managing objects and OU's in the Province's internal directory (IDIR)	1 FTE & then to deployment ~2 days effort	10%	Requires Client approval, Completion date Dec 31, 2004.
Government Agent Branch (GAB)/Insurance Corporation of British Columbia (ICBC) offices support model	Document Workstation Support Services (WSS)/ICBC support model for government agents offices located in ICBC offices	Management Services (MSER)/GAB	Document outlining roles and responsibilities between GAB, WSS and ICBC in supporting GAB/ICBC offices	To be determined	50%	To be determined

Project Name	Description	Client Group	Deliverables	Effort Days	Percentage Complete	Required Completion Date
Exchange 2000 migration	Migrate mailboxes from Microsoft's Exchange 5.5 software system to Microsoft's Exchange 2000 software system. [Ensure that client workstations are up to the minimum version levels and service packs to be migrated to Exchange]	BC Public Service Agency (BCPSA), GAB, Forests, Registries, SRM/WLAP	Migrate all mailboxes to Exchange 2000	To be determined - Slow down because not enough project resources	10%	31-Mar-05
Government Email System (GEMS)GEMSx. gov.bc.ca replacement	Implement government format generic email addresses as replacement for GEMS addresses	Agriculture, BCPSA, Community Aboriginal Women Services (CAWS), GAB, Forests, Finance Registries, SRM/WLAP, Transportation	Enable new format email addresses for all users	To be determined Requires Local Area Network (LAN) administration staff or project resources	0%	31-Mar-05
Shared File & Print (SFP) for Forests	Migrate Forests data and printers from dedicated Forests servers to SFP infrastructure	Forests	All Forests data and printers migrated to SFP infrastructure	Requires LAN admin staff	20%	
Shared File & Print for SRM/WLAP	Migrate SRM/WLAP data and printers from dedicated SRM servers to SFP infrastructure	SRM/WLAP	All SRM/WLAP data and printers migrated to SFP infrastructure	Requires LAN admin staff. Contractor running Project	5%	
Forests XP deployment	Deploy Windows XP Configuration 3 for application testing	Forests	Deploy Configuration 3 to 100 workstations		40%	31-Dec, 2004

Project Name	Description	Client Group	Deliverables	Effort Days	Percentage Complete	Required Completion Date
Move Childcare Branch to Ministry of Children and Family Development (MCF)	Move Childcare Branch from CAWS to MCF by Dec 31	MCF/CAWS	Move data and exchange ids to MCF	Unit B supervisor project lead		31-Dec, 2004
WSS SRM Shared Services Transition	Implement service request sorms (and Approvers) for SRM/WLAP	SRM/WLAP	Service requests submitted using WSS forms	Unit B supervisor project lead	25%	31-Dec, 2004
WSS BCPSA Shared Services Transition	Implement rervice request forms (and Approvers) for BCPSA	BCPSA	Service requests submitted using WSS forms	Unit B supervisor project lead	25%	31-Dec, 2004
Payroll Operations and Information Management (POIM) Alternate Service Delivery (ASD) Transition	Assist in migrating POIM users and data as per new Payroll ASD model	Payroll Branch/POIM	To be determined	Unit B supervisor project lead		To be determined
Initial Transition Completion	Complete tasks associated with the Workstation Services Transition project that centralized Information Technology (IT) support	Ministry of Provincial Revenue (MPR)		Unit A supervisor project lead	20%	
Sea to Sky Evaluation Office	Set up and provide support for the Sea to Sky highway evaluation office	Transportation	Computers moved to location and become members of new, isolated domain	Currently evaluating	0%	Jan 7, 2005
SFP Network Access Server (NAS) Replacement	Replace a number of SFP servers	To be determined	To be determined	Currently evaluating	0%	To be determined

Schedule
B-3 – On-site Service Support

1. Introduction

IBM will provide Client User assistance with Incidents and Incident resolution. Incident resolution will be provided through a combination of the centralized Service Desk, centralized technical support and on-site service support. On-site service support will be dispatched by the Service Desk when either the centralized Service Desk or the centralized technical support cannot adequately address the Incident or when otherwise deemed necessary by the Province.

1.1. On-site Support Services

IBM Responsibilities

IBM will:

(a) ensure, when and where appropriate, security checks and advance notices are performed as described in Special Handling;

(b) for situations where IBM is performing requested chargeable support for Standard Products on non-Province Facilities assist the Client User to complete the home support authorization form upon arrival at the Client User's residence, as directed by the Service Desk;

(c) take the completed home support authorization form and store it at an IBM Facility.

(d) with the Province, implement the deskside support Services operational procedures as defined in the Process Interface Manual. This procedure will include provisions that state that for all deskside activities a Client User, or their designated representative, shall be present throughout the On-Site Support service;

(e) for each Incident, perform identification, impact validation and manage to resolution;

(f) apply software fixes where electronic software delivery is unsuccessful;

(g) perform virus eradication on the workstation where the Client User is unable to utilize the provided anti-virus utility;

(h) provide desk side support Services for Nonstandard Products and Province Line of Business application software on an Hourly Services basis, at the Client's request and approval;

(i) coordinate hardware warranty and repair service with the appropriate equipment manufacturer, through the Service Desk;

(j) lock the hard drive to secure the hard drive and data prior to removal from the Facility. Where hard drive lock is not possible the disk will be destroyed at the Facility;

(k) be responsible for the travel expenses incurred by IBM and IBM Subcontractors in the provisioning of on-site service support for all Facilities excluding visits to Remote Sites where IBM will charge the Province actual expenses; and

(l) at the request of and under the direction and assistance of the Province, provide basic support for wiring and wiring closet Incidents.

The Province Responsibilities

The Province will:

(a) assist IBM in implementing the deskside support Services operational procedures as identified in the Process Interface Manual. This procedure will include provisions that state that for all deskside activities a Client User, or their designated representative, shall be present throughout the On-Site Support service;

(b) if requested by IBM will complete a home support authorization form;

(c) ensure Client spending approval has been provided prior to all charges for out-of-scope Services;

(d) ensure there is Client User support for Client line of business application software;

(e) be responsible for all reasonable travel expenses incurred by IBM and IBM Subcontractors in the provisioning of IMAC execution services to Remote Sites. IBM will charge the Province actual expenses; and

(f) resolve wiring and wiring closet Incidents.

Schedule
B-4 – IMAC Coordination

1. Introduction

This service provides for coordination of IMAC activities. IBM will perform IMAC Coordination for Standard Products, as described in Standards Schedule and Applications and Operating Systems Software Schedule. IMAC Coordination services related to Non-standard Products will be handled as a Project as described in Project Services Schedule.

IMAC Coordination has the function of classifying whether or not a service request is an IMAC or a Project. The determination of the service request as a Project must be mutually agreed to by the Province and IBM.

1.1. IMAC Coordination services

1.1.1. IBM Responsibilities

IBM will:

(a) develop and implement with the Province's assistance, the IMAC Coordination services operational procedures including the development of an IMAC checklist that defines the completion criteria for each IMAC service, as defined in the Process Interface Manual;

(b) assist the Client in the identification of opportunities to consolidate IMACs, when and where appropriate, into Projects;

(c) classify service requests as Projects or IMACs based upon quantity, complexity and definition. The definitions are:

(i) IMAC is described in IMAC Execution Schedule; and

(ii) Project as described in Project Services Schedule;

(d) provide a single point of coordination for all approved IMAC requests;

(e) receive pre approved requests for IMAC services via the established procedures, as defined in the Process Interface Manual and document the request;

(f) plan and coordinate the execution of IMAC requests for Client User Standard Products;

(g) assess the complexity of data migration prior to IMAC Execution;

(h) assist the Province Focal Point in the coordination of Facilities preparation in identification of IMAC prerequisites, and confirmation as defined in the Process Interface Manual;

(i) schedule and coordinate with the Province Focal Point the execution of the IMAC as defined in the Process Interface Manual;

(j) assist the Province with communication to the Client User of planned IMAC activity not directly requested by the Client User;

(k) log and track all IMAC activity from receipt of request through completion within IBM's service request system;

(l) through the requesting Client:

(i) coordinate the activities related to and the completion of all required Facilities and network modifications before the scheduled IMAC date, including scheduling site access during non-business hours if required;

(ii) provide status to the Client on activities related to or impacting an IMAC;

(iii) advise Client User of required compliance with all IMAC services prerequisites, as set forth in the IMAC checklist or as IBM or the Province otherwise communicates, before the scheduled IMAC date;

(iv) verify the completion of all Client User IMAC prerequisites, site readiness, and the availability of all IMAC components;

(v) confirm all required IMAC components are received at the Facility before the scheduled IMAC date; and

(vi) update the IMAC status through to completion within IBM's service request system;

(m) on completion of an IMAC:

(i) obtain concurrence from the Client User or the requestor that the IMAC was completed in accordance with the IMAC checklist;

(ii) close the request, and

(iii) collect the appropriate configuration data and update the asset database as required;

(n) inform the Province Focal Point in the event that Client User expectations will not be met on a particular task in order to manage expectations;

(o) provide reports as per Operational Reporting Schedule;

(p) assist the Province in resolving on a timely basis any issues impacting IMAC activity by escalating according to defined procedures as described in the Process Interface Manual; and

(q) track and manage technical support compliance to Service Levels and escalate requests according to defined procedures.

1.1.2. Province Responsibilities

The Province will:

(a) ensure all Service Requests are approved by the Client in accordance with the Province policies prior to execution;

(b) provide IBM with a Province Focal Point for each Client and update as required;

(c) provide IBM with an IMAC service request as described in the Process Interface Manual;

(d) provide authorization for and be responsible for all charges for approved IMAC services IBM provides at the request of Client Users;

(e) assist IBM in developing and implementing the IMAC Coordination operational procedures including the development of an IMAC checklist that defines the action requirements and completion criteria, including Facilities access, for each IMAC as defined in the Process Interface Manual;

(f) identify the Client contact for Facilities relating to specific IMAC activity;

(g) define and provide IBM the escalation procedures for situations where the Client has not completed the communicated IMAC prerequisites within the defined time frames or in accordance with specifications as defined within the Process Interface Manual;

(h) ensure the Client will communicate to the Client User planned IMAC activity not directly requested by the Client User;

(i) through the requesting Client:

(i) approve the activities related to the completion of the IMAC;

(ii) ensure Client User of required compliance with all IMAC services prerequisites, as set forth in the IMAC checklist or as IBM or the Province otherwise communicates, before the scheduled IMAC date; and

(iii) receive all required IMAC components at the Facility;

(j) complete all required Facilities and network modifications before the scheduled IMAC date, including scheduling site access during non-business hours if required.

Schedule

B-5 – IMAC Execution

1. Introduction

This Service provides for execution of IMAC activities. IBM will perform IMAC services for Standard Products, as identified in Standards Schedule Applications Operating Systems Software List. IMAC services related to Non-standard Products will be handled as a Project as detailed in Project Services Schedule.

1.1 Install, Move, Add, Change Services

a) IBM Responsibilities

IBM will:

- install Standard Products or sub components of Standard Products;
- re-classify Nonstandard Products as projects or IMACs based upon quantity and complexity and execute as defined in the Process Interface Manual;
- prepare physical packaging of standard products for shipment;
- perform the IMAC services according to the criteria specified in the IMAC checklist as defined in the Process Interface Manual;
- perform an on-site check of the contents of all shipments associated with the installation, and inform the Client qualified receiver of any incorrect, damaged or missing items;
- unpack and set up hardware components and connect to the power receptacle and to the LAN jack within the Client User's office or workspace and test the device;
- conduct basic on-site Supported Desktop Software and Application Software configuration to customize the machine to the Client User's environment. These on-site configuration operations can include but are not exclusively confined to: Configuration of local and network printer(s), network configuration, date and time System Software drivers installed, profiles, and the installation of additional Software as required;
- test connectivity to a defined state as listed in the IMAC checklist;
- provide workstation data moves and conversions and ensure that the Client User, or their designated representative, be present throughout the IMAC service;

- in the event of replacement of existing Supported Desktop, ensuring that the Client User profile is migrated to the new Supported Desktop;
- assist the Client User with data migration, for approximately 15 minutes or as required scheduled by the IMAC Coordination;
- client requested data conversion services will be considered a Project as described in Project Services;
- provide Client Users, when and where necessary, with orientation, for a maximum of 15 minutes, on use of hardware and peripherals, and simple Windows functions such as launching software, printing, logging on, accessing network drives;
- adhere to IBM problem management procedures set forth in the Process Interface Manual for each unsuccessful IMAC event;
- move and prepare for disposal, according to Client direction all packing materials and other associated trash to the mutually agreed designated location within the Facility;
- on completion of an IMAC at a minimum:
    - update the status of the IMAC services through to completion within IBM's service request system;
    - update the asset inventory to record any changes in information as described in Asset Inventory Management Schedule; and
    - update the service request as described in the Process Interface Manual;
- remove decommissioned equipment as directed within the service request and consistent with the Disposal Assistance Services listed below;
- comply with data integrity requirements as per the privacy and security provisions of this Agreement;
- be responsible for the travel expenses incurred by IBM and IBM Subcontractors in the provisioning of on-site service support for all Facilities excluding visits to Remote Sites where IBM will charge the Province actual expenses;
- submit to a periodic process audit of IMAC Execution; and
- provide reports as per the Operational Reporting Schedule.

b) Province Responsibilities

The Province will:

- ensure the Client supplies all additional information necessary for IBM to complete the work specified in the IMAC request;
- provide site specific network configuration information;
- provide a Client qualified receiver to verify receipt of goods;

- approve as appropriate the acquisition required to purchase the IMAC components necessary to perform an IMAC;
- ensure that the Client User data is backed up before IBM shows up onsite to perform IMAC;
- ensure that the Client User, or their designated representative, are present throughout the IMAC service;
- ensure that the Client and Client User are responsible for informing IBM of any locally stored line of business application data to be migrated to the new Supported Desktop;
- ensure that the Client provides Client User orientation and education beyond typical IMAC activities;
- be financially responsible to provide all transportation of IMAC components to, between communities, and all transportation or relocation of displaced hardware and software where appropriate;
- be responsible for all costs and compliance with requirements of regulatory authorities for the disposal or relocation of packing materials and displaced or discontinued hardware, software, and related materials;
- be responsible for all asset disposal costs, including, but not limited to, transportation of the asset to be disposed of;
- be financially responsible to provide the packing materials for shipping;
- be financially responsible for IMAC components, once received and signed for within the Facility; and
- be responsible for all reasonable travel expenses incurred by IBM and IBM Subcontractors in the provisioning of IMAC execution services to Remote Sites. IBM will charge the Province actual expenses.

c) Disposal Assistance Services

IBM Responsibilities

IBM will, in accordance with the Province's disposal policies:

- accept requests to remove hardware from the Facilities and move to an on-site storage area until it is designated and approved for disposal by the Province;
- receive approval for disposal of hardware before hardware is de-commissioned and disposed;
- perform disposal preparation to secure the hard drive and data as described in the Process Interface Manual prior to removal from the Facility;
- perform data erasure of electronic media to government standards including data erasure on warranty components that are removed from Facilities at the Province designated warehouse;
- prepare pallets according to the Province's designated third party disposal vendor recommended safe packing practice;

- prepare and arrange for pick up of all displaced hardware and software by the Province's designated third party disposal vendor for all the Province assets approved for disposal;
- retain and make available to the Province records of all on-site disposal preparation results;
- update asset inventory to record the de-commissioning of any equipment associated with equipment disposal;
- provide appropriate information to the Province for update of accounting records to reflect the disposal of the items;
- comply with periodic disposal audits; and
- provide reports as per the Operational Reporting Schedule.

d) Province Responsibilities

The Province will:

- provide disposal and packing policies;
- provide IBM with data erasure standards of electronic media for inclusion in the Process Interface Manual;
- pay for shipping charges; and
- periodically audit the disposal process.

Schedule
B-6 – Order Management

1. Introduction

Order Management services support the product procurement and fulfillment cycle. Order Management addresses the ordering controls, scheduling, and coordination of product procurement to ensure Projects and IMAC requirements are met in a timely and effective manner. This service provides support for forecasting, planning, scheduling, problem identification, resolution, and returns. Tight integration with the procurement process will be maintained to ensure approved and auditable practices are employed.

1.1 Order Management Services

a) IBM Responsibilities:

IBM will:

- assist the Province in negotiating vendor pricing agreements if requested;
- provide product selection support to clients for pre order and technical assistance questions on Standard Product requests;
- identify and coordinate availability of Standard Products;
- validate product orders for configuration accuracy and compliance with Standards as defined in Schedule I and K;
- place orders in conjunction with scheduled installs and deployment;
- for Procurement activities:
    - integrate with the Province's procurement methods;
    - assess procurement systems integration options and initiate Project services if approved;
    - create or assist in creating purchase requisitions and, manage their workflow to complete the purchase; and
    - procurement process will be defined in the Process Interface Manual;
- reconcile incomplete, defective or damaged shipments with supplier;
- assist in the resolution of issues with vendors if requested;

- provide support for order planning;
- provide order tracking and notification to the requestor of the service;
- manage backorders and order backlog;
- if primary source is not available then execute secondary sourcing activity, if applicable;
- confirm receipt of order;
- validate, update and report asset details as defined in Asset Inventory Management Schedule;
- forward the invoices to the Province's accounts payable department, if applicable;
- activate warranty agreements, if applicable and manage the warranties;
- assist in the creation of a product catalogue for Standard Products; and
- provide reports as per Operational Reporting Schedule.

b) Province Responsibilities:

The Province will:

- negotiate vendor pricing and purchase agreements;
- reconcile and consolidate vendor invoices;
- receive and process vendor and IBM invoices;
- be responsible, for products to be purchased outright by the Province, for the direct payment of all vendor-invoiced charges, including any applicable freight, pre delivery preparation charges, sales tax or other related charges;
- for products to be leased or financed by the Province:
    - arrange leasing or financing through a the Province-selected leasing or finance company and ensure payment by such company of all vendor-invoiced charges, including freight, pre delivery preparation charges, sales tax or other associated charges;
    - ensure where appropriate, that title and any applicable sales tax obligations are transferred or assigned to the leasing or finance company; and
    - be responsible for the payment of all vendor-invoiced charges for and take title to product that the leasing or finance company does not agree to lease to or finance on behalf of the Province;
- designate a maximum of ten (10) Province Focal Point(s) who will provide the Provinces Order Management Services;
- approve, provide and update the product catalog;

- ensure all orders submitted use the Order Management Services;
- confirm receipt of goods ordered;
- permit IBM to select primary and secondary vendors;
- ensure the Client is responsible for items to be returned to the vendor:
    - route all requests for returns directly to IBM's Order Management Service; and
    - use original packaging to box, pack and ship any product to be returned to the vendor;
- assume all costs associated with returned, rejected or canceled orders, including shipping and handling, penalties, restocking fees, and any additional costs as a result of the Province's ordering error;
- provide relevant information for vendor contracts for IBM to perform the Services;
- advise IBM of any vendor relationships or regulatory requirements that may affect the Services; and
- define the escalation procedures to be used by IBM in the event IBM is hindered from providing the Services due to the actions or inaction of Clients or the Province selected vendors.

Schedule

B-7 – LAN Administration Services for Supported Desktops

1.0 Introduction

IBM will provide LAN Administration Services for Supported Desktops including, assisting the Province in network related Supported Desktop problems, and assisting the Province in managing network records as related to Supported Desktops.

1.1. LAN Administration Services for Supported Desktops

a) IBM Responsibilities

IBM will:

- assist in maintaining network information records;
- assist the Province's support teams to resolve network related problems on Supported Desktops, which may include network traversal;
- assist the Province in maintaining detailed IP address and IP subnet information;
- assist the Province in network inventory as described within a Service Request or Project;
- assist the Province with updates to Supported Desktop network inventory and Supported Desktop network configuration changes;
- interface with the Province to arrange for IMACs to network circuits, as it relates to IMACs and Projects for Supported Desktops;
- assist the Province in maintaining the node name registry and information for network connections by providing the Province with updates to Supported Desktop node name registry and Supported Desktop network connections;
- report any known suspicious anomalies to the Province and assist the Province in resolving suspicious anomalies that adversely impact Supported Desktops as documented in the Process Interface Manual;
- provide reports as per Operational Reporting; and
- provide network connectivity between IBM and SPANBC.

b) Province Responsibilities

The Province will:

- maintain network information records including node name registry;
- maintain detailed IP address and IP subnet information;
- maintain network inventory and activity reports;
- complete network activities, capacity assessments and upgrade plans;
- monitor network for intrusion detection and report any suspicious anomalies to IBM as documented in the Process Interface Manual;
- resolve network related Incidents;
- setup and manage router firewall access control lists;
- assist IBM in maintaining network connectivity between IBM and the Province; and
- provide sufficient support access where IBM is providing LAN Administration for Supported Desktops.

Schedule

B-8 Base Technology Engineering Services (TES)

1. Introduction

Base Technology Engineering Services (TES) is a Level 2 related service that provides support services beyond Level 1. Level 2 service handles Calls requiring a greater depth of knowledge, Calls of a more technical nature or Calls that require longer time on the phone with an Client User. Level 2 is involved in Client User training, systems and operations support services, Project Services, knowledge management services, application support services, software distribution services, change management services, documentation management services, portfolio/asset tracking services, workgroup computing services and directory services.

TES includes the maintenance of Currency as defined in Standards and the refresh schedule defined in Refresh.

The determination of when work performed is part of the Base Service or subject to additional charges can be found within the Project Services.

The responsibilities listed below are the technical and operational responsibilities for Base Technology Engineering Services.

1.1. Responsibilities

a) IBM Responsibilities

IBM will:

- develop and provide, business and budget impact assessments with respect to requested or planned changes to, or the operation of, Standard Products by the Province;
- give technical presentations relevant to the Services;
- jointly with the Province, make recommendations to the Program Office with respect to adding, deleting or modifying Service Level targets;
- establish and maintain Service processes, including integration with other service providers;
- coordinate with the Client, Service Requests that fall outside of regular IMAC processes;
- initiate technical service projects in response to Service Requests;

- jointly with the Province, validate proposed Standard Products, strategies and plans;
- jointly with the Province, make recommendations regarding Standard Products with respect to adding, deleting or modifying existing analyze, assess and recommend to the Standard Products;
- respond to Service Requests, with technical solutions, where:
    - the Service Request represents an enterprise level change, seek guidance from the Province; or
    - the Service Request for Standard Products represents negligible operational impact to the enterprise, act in accordance to the stated Service Request requirements;
- attend meetings necessary for the management, coordination, and delivery of Services;
- provide ad-hoc consulting services, with respect to the Standard Products in use by the Province;
- provide day to day management of the TES resource pool;
- follow the Province provided Operational Change Management processes;
- plan and participate in implementation of technology transition plans;
- upon request, research and recommend products where no Province Standard Product exists;
- manage and maintain a test lab at an IBM Facility for use by IBM in the testing of Standard Products prior to implementation, and for the use by the Province under a Project request;
- participate in the coordination of technology strategies and operational activities with the Province;
- analyze and apply research, market knowledge, professional knowledge and other information to assist the Province to attain improvements in service quality and value for money with respect to its technology expenditures;
- develop and document changes and improvements with respect to the Province's technology engineering strategic plan;
- provide active involvement in technology engineering strategic planning processes and other strategic Information Technology initiatives;
- participate in the implementation of strategic information technology initiatives;
- maintain, document, and publish the Province's Active Directory group policies for desktop management of the Supported Desktop. Group policy settings for Nonstandard Product will be provided by the respective application owners and implemented by IBM as-is;
- document Standard Products installation process;
- implement anti-virus strategies as directed by the Province on the Supported Desktop;

- provide support to the Province security unit with respect to processes and the installation or change of Standard Products;
- develop, maintain and publish Client User procedures with respect to the use or support of Service technologies;
- provide Level 2 technical support for all Standard Products;
- facilitate level 3 technical support escalation to vendors for Standard Products;
- provide level 3 technical support for all TES created products;
- advise the Client, as appropriate, on the suitability of workstations and peripherals for business needs;
- for those Services requiring remote take over functions, IBM will follow the procedures as listed in the Service Desk Schedule;
- act as a single point of coordination for image management, software packaging and electronic software distribution (ESD) services;
- monitor the end-to-end process for image management, software packaging and ESD services;
- identify any additional information to the Province that IBM reasonably requires to properly perform the Services;
- define and build appropriate infrastructure, processes and procedures as solutioned by IBM and required to perform the Services;
- schedule and manage image management, software packaging and ESD Service Requests according to the Process Interface Manual; and
- provide the Province a monthly report summarizing the image management, software packaging and ESD events as defined in Operational Reporting.

b) Province Responsibilities

The Province will:

- provide, at the Commencement Date and on an ongoing basis and where available, any strategies and plans currently under consideration that may affect the Agreement;
- through Client Users provide approval as outlined in the Service Desk Schedule to allow IBM to perform remote desktop access;
- be responsible for revising and communicating to IBM the Standard Products;
- be responsible for revising the Standard Products configuration;
- provide IBM with the Province's anti-virus strategies;
- provide IBM with access to the Operational Change Management system;

- provide coordination of technology strategies and operational activities within areas of the Client that are outside the responsibility of IBM as outlined in the Agreement;
- be responsible for revising the current technology engineering strategic plans that may affect the Agreement;
- provide active involvement in technology engineering strategic planning processes and other strategic IT initiatives that may affect the Agreement;
- provide, at the Commencement Date and on an ongoing basis, any documented operating system group policies with respect to software permitted and supported in the Province environment;
- provide, at the Commencement Date and on an ongoing basis, electronic copies of all Supported Desktop Software;
- provide, within 20 Business Days of the Commencement Date, available documentation related to the installation processes, including testing practices, for Standard Products;
- provide, within 20 Business Days of the Commencement Date, available documentation as it relates to the current processes and the installation or change of Standard Products;
- ensure the Client provisions for testing and support for Nonstandard Products;
- participate in information sessions with IBM, to discuss, provide or receive information on topics or issues that are not manageable through traditional question and answer methods;
- provide, within 20 Business Days of the Commencement Date, available supporting production user acceptance testing environment documentation and procedure manuals in electronic format related to the execution of user acceptance testing;
- provide a single point of coordination for escalations related image management, software packaging and electronic software distribution (ESD) service;
- provide IBM, where and when appropriate, administration rights to provide the image management, software packaging and ESD service;
- communicate to the Client their responsibility to respond within 20 Business Days to user acceptance testing feedback; and
- consider the Service Request closed and accepted but not to be released to production, after a period of 20 Business Days has expired without the requestor providing IBM the completed Client User acceptance testing feedback.

Section B-8.2 Electronic Software Distribution (ESD)

1.0 Electronic Software Distribution Introduction

Electronic software distribution provides for placement or distribution of either Core Software packages or Client provided software packages on the Supported Desktops.

ESD includes testing of the software package distribution, execution of the software package, and where appropriate, work with the Client or Third Party application developers to validate the completion of the installation.

2.0 Electronic Software Distribution Specific Responsibilities

a. IBM Responsibilities:

IBM will:

1. with the Client, establish a distribution plan before each ESD including:
    a. the schedule for distribution;
    b. ESD prerequisites and post-install procedures that need to be completed by Client;
    c. Communicate the ESD procedures to the Client User via the Province approved communication processes; and
    d. Client User training requirements related to the changes that will result from an ESD;
2. coordinate ESD activities with the Client in accordance with the Province change management procedures;
3. in preparation for ESDs distributions to Supported Desktops, configure and test the Core Software included in the ESD to verify compatibility with existing Standard Products;
4. execute the Core Software package;
5. manage and administer the ESD Service Request, including:
    a. monitoring the ESD to verify the successful completion of the process, and where appropriate, work with the Client or Third Party application developers to validate the completion of the installation as required;
    b. maintaining logs of successful and unsuccessful ESD completions;
    c. taking corrective action, as appropriate, for problems resulting from the ESD to correct error conditions:
        i. if the event failure was fully due to situation(s) inside of IBM's responsibilities as it relates to the Services then, IBM will perform an (IMAC) Install that will not be charged against the IMAC baseline; and

ii. if the event a failure was fully due to situation(s) outside of IBM's responsibilities as it relates to the Services then, IBM can perform an (IMAC) Install with a Province's IMAC Service Request; and

d. communicate to the Client any problems that occurred during the distribution and any unsuccessful distributions;

6. perform ESD of Province approved Microsoft Corporation Core Software security hotfixes;

7. provide verification of each completed ESD to the Client;

8. consider the ESD Service Request closed and accepted after a period of 5 Business Days has expired without the Client providing IBM the complete distribution feedback; and

9. on completion of the ESD, update the configuration management database, as appropriate.

b. Province Responsibilities:

The Province will:

1. communicate to the Client their responsibility to assist IBM in the:

   a. establishment of an ESD test and distribution plan before each ESD; and

   b. resolution of unsuccessful ESD;

2. authorize Microsoft security hotfixes within 1 Business Day of announcement by Microsoft;

3. ensure the Client will provide their developed package for distribution if required; and

4. provide any documentation related to the Province's method of determining a successful ESD on the Commencement Date.

1.2. Section B-8.3 Image Management

1.0 Image Management Introduction

The image management service provides for the creation, testing and storage of the Workstation Image Elements necessary to image a Supported Desktop.

2.0 Image Management Specific Responsibilities

a. IBM Responsibilities:

IBM will:

1. create and modify the Workstation Image Elements to satisfy the Province enterprise requirements and update the Workstation Image Elements repository with the created Workstation Image Elements;
2. jointly with the Province, define the new standard Supported Desktop Workstation Image Elements;
3. create, maintain, and document new standard Supported Desktop Workstation Image Elements;
4. define and install the Workstation Image Elements repository;
5. determine the compatibility of Core Software with the Workstation Image Elements;
6. publish the production Workstation Image Elements and the Legacy Provincial Images to facilitate the IMAC imaging events;
7. retire the Workstation Image Elements and the Legacy Provincial Images according to the criteria set forth in the Process Interface Manual;
8. perform an IBM internal Image Quality Assurance Test on the Workstation Image Elements prior to release for user acceptance testing;
9. perform Integration Testing of the Core Software for the Workstation Image Elements and remediate any issues;
10. analyse the Microsoft security hotfixes as advertised by Microsoft and in accordance to Process Interface Manual applicable to the Workstation Image Elements and the Legacy Provincial Workstation Images:
    a. evaluate and test the applicable Microsoft security hotfixes to the Workstation Image Element; and
    b. integrate the Microsoft security hotfixes into the Workstation Image Element by updating the production Workstation Image Element repository; and
11. evaluate image management techniques and make recommendations and implement agreed-to best practices.

b. Province Responsibilities:

The Province will:

1. identify enterprise workstation requirements;

2. jointly with IBM, define the new standard Supported Desktop Workstation Image Elements;

3. facilitate Client User acceptance testing of any Workstation Image Element changes on a configured Supported Desktop according to the user acceptance test scripts provided;

4. approve or reject the implementation of any Workstation Image Element;

5. provide associated hardware necessary during the creation, Image Quality Assurance Testing and Integration Testing;

6. be responsible for defining and approving the image to be used in the Supported Client Device environment; and

7. provide available documentation related to the current images and any scripts being used within the Province's IT environment on the Commencement Date.

Section B-8.4 Software Packaging

1.0 Software Packaging Introduction

The software packaging service, as documented in the Process Interface Manual, provides for the packaging of Core Software and Core Software updates as requested by the Province. Additionally, non-Core Software can be packaged and non-Core Software packages can be updated using Project Services.

All Software packages will be stored within an IBM provided software package repository.

2.0 Software Packaging Responsibilities

a. IBM Responsibilities:

IBM will:

1. following receipt of the Core Software Service Request, IBM will:

    a. confirm that all necessary information in respect of the Core Software to be packaged has been provided;

    b. confirm that the Core Software conforms to the product standards and software strategy defined by the Province and provided by the Province to IBM;

    c. upon completion of the steps specified above, notify the Province whether the Core Software is ready for packaging and, if not, provide detailed reasons. If IBM notifies the Province that the Core Software is not ready then, at the Provinces' option, the Province will either withdraw the Core Software Service Request from packaging, modify the Core Software Service Request as necessary to make it meet the applicable requirements, or notify IBM to continue packaging the Core Software;

    d. write software package scripts, in English, to install the Core Software package and write software package scripts, in English, used to de-install the Core Software package with the software packaging standards as defined in the Process Interface Manual;

    e. carry out the quality assurance tests on the Core Software packaging components as specified in the Process Interface Manual;

    f. perform rework discovered during user acceptance testing on the requested events as defined in the Process Interface Manual;

    g. perform problem determination and resolution recommendations on the Core Software packages as defined in the Process Interface Manual;

2. package critical Microsoft security hotfixes for ESD purposes in an escalated manner as defined in the Process Interface Manual and the Province security policies;

3. package critical anti-virus update for ESD purposes in an escalated manner as defined in the Process Interface Manual and the Province security policies;

4. implement business commercial tools, utilities and processes to automate the repetitive packaging activity, in order to reduce the overall complexity of Core Software packaging;

5. maintain a library of Supported Desktop Software and Client line of business software that has been packaged for ESD; and

6. package non-Core Software on a Project basis.

b. Province Responsibilities:

The Province will:

1. jointly with IBM, define the new Core Software Service Request;

2. submit a Core Software Service Request to IBM with:

   a. the executable code necessary for IBM to software package such Core Software;

   b. configuration and install instructions in respect of such Core Software including;

3. perform and complete user acceptance testing of the packaged Core Software as defined in the Process Interface Manual;

4. provide, within 20 Business Days of the Commencement Date, available listing of all packaged software currently being deployed in the environment, by Client;

5. communicate to Clients that are packaging Non-Core Software that:

   a. applications must be packaged according to best industry packaging guidelines as documented by Microsoft Corporation, Wyse Technolgy Inc or Macrovision Corporation's InstallShield using the vendors current (N) or previous (N-1) version of their packaging tool to create intelligent Microsoft Installer (MSI) files; and

   b. Clients must provide complete package installation and de-installation scripts.

Schedule

B-9 – Self Help

1. Introduction

IBM will provide a web-based self help service that allows Client Users to view their existing Service Desk incidents, Service Request, submit new incidents, check common Province system status, as defined in the Process Interface Manual, as well as other services provided by IBM through the Province's standard web-browser.

1.1 General Services

a) IBM responsibilities

IBM will:

- provide a self help service accessible from the SPANBC Intranet;
- complete the Client User self help service setup and registration procedures;
- work with the Province's web design standards to develop the look and feel of the user interface;
- allow Client User access to the incident management tool to submit Service Desk incidents from the self help service;
- post system status as defined in the Process Interface Manual;
- post knowledge information links for Province Line of Business information management application, where feasible, on the self help service;
- provide and post answers to frequently asked questions about the in-scope services;
- post answers to frequently asked questions provided by the Province on other CITS services as requested;
- provide and post documents and knowledgebase information for Core Software and other standard technologies;
- provide and post links to other available Services where Client Users can use intranet technology to process requests for password resets, and view the status of IMAC and service requests; and
- provide web site content maintenance, including the addition of new links, on a quarterly basis as defined in the Process Interface Manual.

b) Province responsibilities:

Province will:

- promote the use of self help service to Client Users;
- provide, where and when appropriate, documents, knowledgebase articles and links, that adhere to the parameters defined by IBM, to enable self help service for Province Line of Business applications incidents and problems;
- provide on an ongoing basis, the process to determine status changes for CITS common systems as defined in the Process Interface Manual;
- provide the Province's web design standards to IBM to develop the look and feel of the user interface;
- provide, where and when appropriate, answers to frequently asked questions on other CITS services; and
- provide access to the Province's internal directory (IDIR) for self help user registration.

Schedule

B-10 – Asset Inventory Management

1. Introduction:

This management service will maintain the data elements required for the Province to manage the life-cycle of Province owned assets, specifically the system unit of a Supported Desktops from completion of the initial data capture of asset information through to asset disposal. This service enables the Province to monitor which assets are allocated to Client Users including their contact information, location information and physical hardware details.

1.1 Asset Inventory Management

a) IBM Responsibilities

IBM will:

- provide a single point of coordination for configuration management;
- maintain a configuration management database which will be based upon:
    - an initial data load of the asset repository with the Province provided asset data as referenced in the Transition Plan;
    - perform asset data migration of initial data;
    - on an ongoing basis and on a timely manner update configuration management database, ensuring capture of changes caused by Projects, IMACs and Incident activities;
    - the asset tracking data will contain the following:
        - Supported Desktop –system unit only. IBM will not track display monitors, keyboards, mice, external drives or internal fixed disk storage:
            - Machine information that will be captured;
            - Manufacturer name *,
            - Product identifier *,
            - Model number *,
            - Serial number *,

- Asset tag number **,
- Amount of memory *,
- Processor speed *, and
- Total hard drive size *.

- Client User Information obtained from the Province's internal directory (IDIR):
  - Name,
  - Telephone number, and
  - Location.
- Software titles and version numbers that will be captured.
  - Systems Software *
  - Core Software ***
  - Supported Desktop Software that will be captured (To be determined) ***

- DTS Terminal:
  - Machine information:
    - Manufacturer name *,
    - Product identifier *,
    - Model number *,
    - Serial number *,
    - Asset tag number **,
    - Amount of memory *,
    - Processor speed *.
  - Client User information obtained from IDIR:
    - Name,
    - Telephone number, and

- Location.

- PDA:
  - Machine information that will be captured:
    - Manufacturer name ****,
    - Model number ****,
    - Serial number ****,
    - Asset tag number ****.
  - Client User information obtained from IDIR:
    - Name,
    - Telephone number, and
    - Location.

* as identified by the electronic asset tracking software

** as entered & updated through the Deployment Schedule Technical Transition and Refresh Schedule, IMAC Execution Schedule and On-Site Services Schedule processes

*** Core Software and Supported Desktop Software as listed in Standard Supported Software Schedule" and as identified by the electronic asset tracking software

**** as entered through the IMAC (schedule B-5 IMAC Execution) process or identified through Onsite Service Support

- provide a process to track installation, changes, removal and disposal of asset;
- provide procedures for maintaining and updating asset inventory information, including asset assigned to named Client User, in accordance with the asset tracking process;
- schedule and manage a periodic physical asset audits under a signed Project agreement;
- work with the Province in reconciling discrepancies between the configuration management database and physical inventory asset counts;
- provide asset inventory reports as per Operational Reporting Schedule;
- provide installation and maintain electronic asset tracking software on new asset as needed; and
- provide the Province with a monthly extract of changes from the configuration management database in a predefined text format for the Province to import into the Province's fixed asset system as documented in the Process Interface Manual.

b) Province Responsibilities

The Province will:

- ensure there are sufficient asset management software tool licenses as defined in the Supported Software list available for all deployed and installed Supported Desktops;
- ensure periodic physical asset inventory/audits are conducted;
- provide existing asset data for initial load into the asset repository;
- allow electronic updates from IDIR for Client User related asset data on a daily basis in compliance with the Security Obligations and Privacy Obligations provisions in the Agreement;
- work with IBM and the Client in resolving asset discrepancies and issues and notify IBM of the resolution; and
- provide IBM with the predefined text format to import the asset data into the Province's fixed asset system and the Province's billing system.

Schedule

B-11– Software Asset Tracking

1. Introduction:

This Service provides for the day to day tracking and reporting on Supported Software. This Service will be performed primarily via software tracking tools, complimented with manual processes.

1.1 Software Asset Tracking

a) IBM Responsibilities

IBM will:

- provide a single point of coordination for software asset tracking services;
- maintain a configuration management database;
- perform initial data load of the asset repository with client provided asset data;
- perform software asset data migration;
- update software asset inventory database, ensuring capture of changes caused by IMACs or Projects;
- provide software inventory reports as per Operational Reporting Schedule;
- assist the Province in the management of procedures that maintain Client User compliance with software standards and notify the Province of unauthorized software use and/or installations;
- assist the Province in informing Clients and Client Users on appropriate software and license restrictions;
- establish procedures that support Client User compliance with software standards and inventory thresholds; and
- follow procedures, as documented in the Process Interface Manual, that maintain Client User compliance with software standards and inventory thresholds.

b) Province Responsibilities

The Province will:

- provide existing software asset data for initial load into the asset repository as available;
- create policies that support Client User compliance with software standards and inventory thresholds;
- inform Client on appropriate software and license restrictions;
- track and evaluate license and maintenance agreements associated with the software assets;
- register the Province's software licenses with vendors; and
- evaluate potential or wasteful software license situations.

Schedule

B-12 – Deployment Services

1. Introduction

Deployment Services are centralized services to coordinate the movement of assets in and out of the enterprise. Assets may be modified to fulfill the requirements of the next stage of their existence within the enterprise. Deployment Services supports initial deployment of new assets, redeployment of assets, or disposal of assets. Deployment Services provides for stock management as well as image management activities.

1.1 Stock Management

Stock management is a service that uses a secure warehouse in which adequate stock levels of assets will be stored. Inventory will be tracked using the asset management system and replenished when required. Tight integration with the procurement, IMAC, and refresh processes will be maintained to ensure legitimate and auditable practices are employed.

a) IBM Responsibilities

IBM will:

- provide a secure warehouse with restricted access for storage of stock;
- manage the warehouse and oversee the stock management operations;
- conduct shipping and receiving activities;
- receive stock through the Order Management;
- document receipt of stock items to order management including reconciliation of purchase orders to packing slips, resolving receipt discrepancies, affixing asset tags to all new system units and other hardware designated by the Province as being business critical, and then recording pertinent information for each item within the asset tracking system as defined in Asset Inventory Management Schedule;
- receive new equipment from suppliers or used equipment returned from the field into the warehouse;
- coordinate pick up of equipment identified to be returned to stock from Client sites;
- maintain status of each asset tagged item;

- perform physical inventory of warehouse stock and report on an agreed schedule;
- supply equipment from inventory for IMAC and other project requests;
- update the asset tracking database with details of each receipt or disbursement from stock;
- recommend to the Province, monitor and adjust order points and replenishment order quantities;
- provide warehouse inventory status reports as defined in Operational Reporting Schedule;
- provide stock management activity reports on items dispersed, including Service Request number, serial number and purchase order numbers if applicable and as defined in Operational Reporting Schedule;
- dispose of retired assets according to disposal processes as defined by the Province; and
- erase client data from hard drives pursuant to Province standards utilizing Province provided software, for protection of privacy and security of data prior to disposal of Supported Desktops.

b) Province Responsibilities

The Province will:

- provide advance information on anticipated orders which may affect stock supplies;
- provide IBM with the disposal processes and update those processes as required;
- provide hard drive erasure standards and software and audit process so standards are being met: and
- audit the erasure method periodically to ensure Province standards are being adhered to.

1.2 Image Management

Image management maintains the workstation images and deploys them to the Province's workstations.

IBM will:

- receive workstation images and install scripts from Technology Engineering Services (TES) as defined in Base Technology Engineering Services Schedule;
- work with TES to establish and maintain effective processes and procedures regarding the distribution and use of standard images, installation scripts and documentation;
- provide additional quality assurance testing of images developed by TES;
- test installation scripts produced by TES for approved standard software;
- store all Client standard images, standard software and installation scripts electronically;
- maintain catalogues of images, standard software and installation scripts;

- install images, approved standard software, and complete documentation for approved requests; and
- maintain accuracy and integrity of images, standard software and installation scripts.

a) Province Responsibilities

The Province will:

- ensure compliance with any software license terms and conditions and maintenance requirements for distributed software Standard Products;
- be financially responsible for hardware, software, and software licenses required to deploy new base images on Supported Desktops;
- be responsible for all software license maintenance fees or charges; and
- dispose of all deinstalled software and discontinue the license and maintenance, if applicable, for such software.

Schedule

B-13 – Client User Account Administration

1. Introduction

Client User Account Administration Services for IDIR user registration, creation and maintenance.

1.1 Client User Account Administration

a) IBM Responsibilities

IBM will:

- provide IDIR Client User account administration and management including Client User profiles, membership in global groups, add/change/delete Client User accounts, password issuance and resets, management of shared folders and access permissions;
- provide e-mail account administration and management including Client User accounts, aliases, profiles, generic mailboxes, distribution lists, public and shared folders and global access permissions;
- provide security administration and management login scripts, OU structure and security;
- provide IDIR group management to allow authorized remote access to SPANBC;
- provide a single point of coordination for Client User account administration functions for liaison with Client for the purposes of change control;
- perform Client User account administration functions at the Client Users Desktop relating to the Services as described in Core Policy Manual and as documented in the Process Interface Manual;
- review updates and changes to the security policies and procedures in the Core Policy Manual as they relate to the Client User account administration. These updates and changes if approved will be implemented through the Change Order Process;
- communicate Province's security policy to Clients Users as it relates to ID administration as directed by the Province;
- provide maintenance and clean up of inactive Client User accounts on a quarterly basis based on an approved list developed between the Province and IBM;
- respond to Client User requests for status updates and general inquires with respect to Client User account administration functions;

- follow the Province's procedures prior to issuing Client User systems access;
- log account administration activities performed by IBM;
- follow the approval procedures for Client User account administration as defined in the Process Interface Manual;
- periodically perform process audits for this service;
- assist the Province in the investigation and reporting of suspect risk elements for Supported Desktops and recommend appropriate action;
- assist with the security administration and management policies;
- follow the security procedures in the Process Interface Manual for intrusion events as it impacts Supported Desktops, and
- provide reports consistent with Operational Reporting.

b) Province Responsibilities

The Province will:

- provide IBM, where and when appropriate, administration rights to provide the Services;
- define and provide to IBM the Province's standard naming conventions;
- provide IBM with updates and changes to the Province's security policies and procedures using the Change Order Process;
- provide IBM with the approvals required in order for IBM to maintain and clean up inactive user ID's on a quarterly basis;
- ensure the Clients requests for Client User account administration are approved prior to implementation by IBM;
- provide and educate IBM regarding procedures for issuing Client User systems access;
- promote the use of self help service to the Client Users for password resets;
- investigate and advise IBM of suspected risk elements and recommend appropriate action; and
- assist and approve security administration and management policies.

Schedule
B-14 – Common Services

1. Introduction

This Schedule describes the duties and responsibilities of IBM and the Province related to IBM's provision of the Common Services. IBM will provide the Services in accordance with the descriptions contained in this Schedule and the Process Interface Manual. The Province will support IBM's provision of the Services in accordance with the descriptions contained in this Schedule and the Process Interface Manual.

1.1 Documentation

The Province and IBM agree that the Process Interface Manual will incorporate appropriate implementation details and procedures for the Services consistent with the table of contents for the Process Interface Manual included in the Governance Schedule. Until such time as the Province and IBM complete the Process Interface Manual and the Province approves the Process Interface Manual, IBM will use the Province's procedures existing as of the Commencement Date and delivered to IBM prior to, the Effective Date during the Interim Services Period until the end of Stage 3 of the Transition Plan and those applicable components of the Services related to security procedures such as remote take over service, disk erasure service and chargeable support for Standard products at non Province Facilities. The Province agrees to perform its responsibilities in accordance with the Process Interface Manual and this Schedule. During the Term, the Province and IBM may agree on different or additional Services and will amend this Schedule and the Process Interface Manual, in writing, according to this Agreement.

(a) IBM is responsible for:

- creating and maintaining the Process Interface Manual in consultation with the Province. IBM will obtain the Province's prior approval of any obligations of the Province and any changes to any obligations of the Province before inclusion in the Process Interface Manual;
- reviewing operations documentation for adherence to operational procedures and standards; and
- periodically distributing to appropriate employees of the Province, the Process Interface Manual and information bulletins regarding new or changed operations and procedures;

(b) The Province will:

- prior to the Commencement Date provide documentation for operations procedures and processes relating to the Services, where available;
- assist IBM in the development of the Process Interface Manual; and

- on an ongoing basis provide documentation for operations procedures and processes relating to the retained services. IBM will include such documentation in the Process Interface Manual.

2. Service Hours

IBM will provide each of the Services during the Service Hours specified in the following chart. All times are Pacific Time, for a Business Day.

Service	Service Hours	Notes
Service Desk	Core hours – 7am to 6pm	As provided in B-16 Special Handling hours have been extended to: 6pm to 7am Mon-Fri; 24 hrs Sat, Sun; and 24 hrs Stat Holidays.
Onsite Service Support	8:00am to 5:00pm	
IMAC Coordination	8:00am to 5:00pm	
IMAC Execution	8:00am to 5:00pm	
Order Management Services	8:00am to 5:00pm	Service Requests can be initiated 24 x 7 via Self Help.
Asset Inventory Management	8:00am to 5:00pm	
Software Asset Tracking	8:00am to 5:00pm	
Deployment Services	8:00am to 5:00pm	
User ID Administration	8:00am to 5:00pm	Automated Password Resets 24 x 7.
Special Handling	Based on services described above.	
Special Assembly	8:00am to 5:00pm	
Desktop Terminal Services	8:00am to 5:00pm	System available 7 x 24, support is based on 8:00am to 5:00pm.
Base Technology	8:00am to 5:00pm	
Project Services	8:00am to 5:00pm	

3. Problem Management

(a) IBM will:

- during Transition, with the Province's assistance and agreement, develop and document Problem management procedures to be included in the Process Interface Manual;
- with Province's assistance:
    - define Problem priority levels and associated escalation procedures; and
    - define alert and paging processes and procedures;

- conduct regular Problem review meetings to review, rank and escalate Problems; and
- assign ownership and priority for each Problem.

(b) Province will:

- provide to IBM a list of the Province Support Personnel for the purposes of assisting with Problem resolution and escalation, if required, including any updates as they occur; and
- for major Problems, approve assignment and priority.

4. Change Management

IBM shall perform change management using the Province's change management process, including producing for approval or rejection, any proposed changes and performing the process of IT change for all types of changes, including:

- Receiving/initiating and recording requests for changes,
- Assessing the requested changes,
- Working with Province to schedule the changes,
- Implementing the changes, and
- Reviewing (on a post-implementation basis) the requests for changes.

IBM will utilize the Province's change management approach including the Provinces change management system.

IBM's Change Management responsibilities will include the following:[shouldn't the bullet be removed and just make the whole thing a sentence?]

- During Transition, IBM and the Province will participate in a process development workshop which will define a Services change management process, which will be documented in the Process Interface Manual.

The Province will notify IBM of any major changes utilizing the Province's operational change management system any changes that may affect IBM's ability to deliver contracted services.

5. Other Services

(a) The Province will:

- provide all Client User supplies and consumables;
- promote and provide client training on all Standard Products and other hardware and software products being utilized within the Province where required;
- during the Transition Period, provide IBM with an adequate SMS infrastructure and SMS licenses for electronic software distribution & remote takeover on all Supported Desktops;

- provide anti-virus software and an adequate infrastructure for Client Users to receive the most current virus definitions;

- provide access to IDIR information to IBM for use with the call management tool to confirm Client User support entitlement;

- will obtain and provide to IBM, with IBM's reasonable assistance, all Required Consents, which will be consistent with the terms of this Agreement;

- will pay for any vendor fees required to obtain all Required Consents; and

- if any Required Consent is not obtained, the Province and IBM will cooperate with each other in achieving a reasonable alternative arrangement for the Province to continue to process its work with as minimal interference to its business operations as is reasonable until such Required Consent is obtained.

Schedule
B-15 – Project Services

1. Introduction

This Schedule describes the process that applies to Projects to be performed under the Agreement and the project management process that will be implemented to support the completion of Projects. This Schedule also describes Projects that will be performed under Base Services and Project that will be performed for additional charges based on Hourly Services Rates and other rates for skills not identified in the Hourly Services Rates table in the Schedule F (*Charges*).

2. Project Management Process

IBM's Project management process is based upon the premise that the Project Executive has overall responsibility and accountability to meet agreed upon quality, cost, schedule and technical objectives of the Projects.

The Province and IBM will each assign an individual to a Project (each a Project Manager and collectively the Project Managers) who have the authority to represent and bind their respective organizations for that Project and who will have specific operational roles as described below and further delineated in the Project Plan. A Project Manager may be assigned to oversee more than one Project at a time. The Province and IBM will each provide the other reasonable advance written notice of a change to their respective Project Manager and will discuss any objections the other has to such change.

The Province and IBM will develop a Project Plan as specified in Section 4.0 below, as applicable. Upon the Province's and IBM's signature of such Project Plan, the Project Plan will be assigned a sequential number and will be attached to, and become a part of, this Agreement, for example, Project Plan B15-MSER-1 (Title), Project Plan B15-MSER-2 (Title), Project Plan B15-MHR-1 (Title). The terms and conditions of this Agreement will apply to all Projects, except to the extent expressly amended by the applicable Project Plan.

3. Project Managers

(a) IBM Responsibilities

The IBM Project Manager will:

- be the single-point-of-contact to the Province for establishing and maintaining communications through the Province Project Manager regarding the Project;
- develop the detailed Project Plan in conjunction with the Province Project Manager;
- measure, track and evaluate progress against the approved Project Plan for all resources both IBM and Province and sub-Contracted resources that are responsible for the deliverables and timelines within the Project Plan;

- participate in periodic Project reviews, as requested by the Province;
- maintain files of the Project Plan and any associated documentation;
- manage the Project for IBM including planning, directing, and monitoring all Project activities;
- establish the IBM Project team and, in conjunction with the Province Project Manager, orient team members regarding the Project management process and the Project Plan, including individual responsibilities, Deliverables, and schedules;
- provide operational guidance to, manage and be accountable for the performance of IBM's employees and IBM Subcontractors assigned to the Project;
- define and monitor the support resources required for the Project;
- implement all changes consistent with the Project change control process set forth in the Project change control section of this Schedule;
- resolve deviations from the Project Plan with the Province Project Manager;
- address the resolution of Project issues;
- plan, schedule, conduct and participate in periodic Project planning, review, status meetings, presentations as applicable, including review of the work products being produced;
- coordinate and schedule the attendance of IBM's employees and IBM Subcontractors, as appropriate, at planning, review, and status meetings; and
- provide periodic written status reports to the Province that provide information such as schedule status, budget, technical progress, issue identification and related action plans.

(b) Province Responsibilities

The Province Project Manager will:

- be the single-point-of-contact for the management of the Province's obligations under the Project;
- serve as the interface between the Project team members and the LOBs, Clients or Client organizations participating in the Project;
- define the Client's business requirements, technical guidelines and where appropriate technical requirements for each Project;
- assist IBM in the development of the detailed Project Plan and validate that the Project Plan meets the Client's business and technical requirements;
- establish the Clients' Project team and, in conjunction with the IBM Project Manager, orient team members regarding the Project management process and the Project Plan, including individual responsibilities, deliverables, and schedules;
- provide operational guidance to, manage and be accountable for the performance of the Province's employees and Province Subcontractors assigned to the Project;

- implement all changes consistent with the Project change control process set forth in Section 5.0 (Project change control) of this Schedule;

- participate in and provide necessary support during Project planning, review, presentations and status meetings, as scheduled by IBM;

- obtain and provide information, data, decisions and approvals, within the agreed time period, which, for existing Projects, will be within five business days of IBM's request, unless otherwise mutually agreed;

- coordinate and schedule the attendance of the Province's employees and Province Subcontractors, as appropriate, at planning, review, and status meetings scheduled by IBM;

- assist in the resolution of Project issues and escalate within the Province's management as needed;

- assist IBM in resolution of deviations from the Project Plan;

- participate in periodic Project reviews, as requested by IBM; and

- review the Deliverables to determine if they meet the Completion Criteria set forth in the applicable Project Plan and, within the specified time frame, inform the IBM Project Manager in writing of the results of such review.

4. Project Plan

A Project Plan should contain the following information:

(a) Project Managers

- This section will identify the Province's and IBM's respective Project Managers including name, address, telephone number, pager number, and fax number.

(b) Project Name and Short Title

- Client Identification, Project sponsor and associated financial recovery coding

(c) Purpose and Scope of Work

- This section will provide a summary of the overall purpose of the Project and define the scope of work to be performed.

(d) Assumptions and Dependencies

- This section will describe any key assumptions or dependencies upon which the Project was based or is dependent upon for successful completion, or both.

(e) Definitions

- This section will define any terms specific to the Project.

(f) IBM Responsibilities

- This section will describe the responsibilities that IBM is required to perform in order to complete the Project.

(g) Province Responsibilities

- This section will describe the responsibilities that the Province is required to perform in order to complete the Project.

(h) Required Equipment and Materials

- This section will list all required equipment and materials including, hardware and software, that the Province or IBM must provide in order to facilitate completion of the Project.

(i) Deliverables

- This section will provide a description of any items to be delivered by IBM under the Project.

(j) Estimated Schedule

- This section will provide the estimated schedule for completion of the Project, including any milestones and target dates for completion.

(k) Completion Criteria

- This section will state the criteria that IBM must meet in order to satisfy its obligations under the Project that includes a post implementation review when and where appropriate.

(l) Charges

- This section will specify the applicable charges, if any, for the Project (for example, included within the Annual Services Charge or performed for additional charges on a fixed price or time and materials basis).

(m) Additional or Unique Terms and Conditions

- This section will identify terms and conditions, if any, in addition to or different from the terms and conditions of this Agreement.

(n) Privacy Impact Assessment

- This section will identify the Privacy Impact Assessment (PIA) requirements and status. If a PIA is required, then the PIA will be attached to the Project Plan.

5. Project Work in Base Services

Project based work that is included as part of the Base Services and will not incur additional cost to the Province are as follows:

- work associated with upgrading or enhancing IBM's service infrastructure including maintenance and upgrading of IBM's service management systems, telephony systems, and other technologies that are considered part of IBM's service tools;

- work associated with regular maintenance of the standard integration points for electronic links between IBM systems and the Province's systems, limited to the Information Technology Information Management System (ITIMS), Billing Information System (BIS) and their successor systems, if implemented by a Project;

- work related to the upgrade of workstations and other systems used by IBM and IBM's Subcontractors;

- work related to the upgrade or maintenance of IBM Subcontractor's infrastructures unless specific integration requests are made by the Province;

- work to maintain technology Currency of Core Software; and

- other Project based work that is not requested by the Province or Clients and not the direct result of the changes made by the Province or Clients.

For Projects that are part of Base Services:

(a) IBM will:

- complete these Projects with the same project management process as other Projects;

- follow the Change Order Process if the changes affect the performance of the Services or add additional cost to the Province for Base Services;

- use the Province's Operational Change Management processes for changes that may impact the Services or impact Province services as required; and

- prepare communication materials for distribution for Clients and Client Users when changes are material.

(b) The Province will;

- allow IBM to perform changes to the Services infrastructure as long as changes do not negatively impact performance of the Services or result in additional charges to the Province unless such changes are first approved through the Change Order Process;

- participate in Province's Operational Change Management process as required;

- manage the communication to Clients and Client Users when changes are material; and

- approve or reject, the changes submitted through the Province's Operational Change Management process.

6. IMAC Requests as Projects

IBM will perform IMACs as part of the Base Services. There are situations where an IMAC or group of IMACs needs to be performed as a Project. In each situation the Parties will agree that the IMAC qualifies to be performed as a Project using the following IMAC request attributes as a guideline:

- Install, Move, Add or Change hardware that is associated with more than nine (9) devices;

- for requests not covered by the IMAC Service including the installation of network components, cabling drops, network port assignments, or other complicated network capacity;

- require coordination of Third Parties other than IBM Subcontractors;
- require relocation of devices from one Facility to another Facility or to set-up equipment in a new Facility;
- include deployment or installation of Non-standard Products that have not been previously tested and approved for installation;
- for Non-standard Products that have been previously tested and approved for installation and follow the IMAC guideline for quantity and complexity, the IMAC services Schedule will apply; and
- are assessed to be sufficiently complex that a Project Manager needs to be assigned to manage the activities of multiple Clients.

(a) IBM will:

- assess IMAC requests for quantity, complexity and other definitions to correctly classify them as Projects;
- monitor IMAC requests for multiple related IMAC requests in succession from the same Client organization to classify them as a Project;
- prepare a Project Plan with budget estimates for IMACs requests classified as a Project; and
- obtain approval prior to commencement of a Project.

(b) The Province will:

- approve IMAC requests that are classified as Projects; and
- assist IBM is obtaining approval for Projects from the Client organizations.

7. Chargeable Projects and Project Initiation

There is Project work that will be requested and approved by the Province that is not included as part of Base Services that will be subject to separate Project charges. Projects can be initiated by the Province, its Clients or by IBM. Project work includes:

- work required to enhance IBM's infrastructure or service technologies to accommodate changes in the Province infrastructure that would otherwise not be required;
- work required to accommodate infrastructure integration requests by the Province;
- the testing and integration work to establish new Standard Products, either a new product, or a new category of Standard products;
- work associated with upgrade or enhancement of IBM to Province communication interfaces to satisfy changes to the Province's infrastructure;
- deployment of Nonstandard Products;
- work required to complete Service Requests received from the Province or its Clients to upgrade Standard Products to N+1 outside of the technology Currency;

- work related to technology that is not defined as Standard Products;
- requests for deployment of Client Line of Business products;
- work to customize or configure Standard Products to function within the Client's environment;
- batch or large updates to LAN-admin, security-related IDs, and shared file and print folders;
- testing, packaging, or initial deployment of Line of Business (LOB) Applications Software projects if and when requested;
- requests for Line of Business (LOB) Application Software deployment to Supported Client Device if and when requested;
- application remediation Projects if and when requested;
- the introduction of new technologies before the date that is jointly established as the initiation date. (implementation of N +1 versions of Standard Products at the request of a Client organization);
- other project based work that is reasonably assessed by the Parties to be related to the Services and not explicitly included in the Base Services; and
- other related work mutually agreed to be performed as a Project.

The process by which a Project is initiated and approved is as follows:

A service request for a Project (called a Project Service Request) is raised by an authorized individual from the Province, a Client organization, or IBM with sufficient detail to outline the business requirements that need to be addressed through the implementation of the system or technology and sufficient detail to enable IBM to provide a response including an estimate of the Project costs.

IBM will create and provide a response (called a Project Service Response) to the Project Service Request within five (5) Business Days or as otherwise agreed including an estimate of the cost, resources, materials, deliverables and duration of time required to complete the Project. This Project Service Response will be submitted to the requestor for approval to proceed. After approval is received, the detail requirements will be documented and a detail design of the solution and Project Plan will be developed. The detail of solution design, project costs, including a support plan will be provided to the Province or Client, as applicable, for approval to proceed with the Project. Should the Project be classified as an Excluded Project, then the Parties will assess the Project deliverables in respect of the IP rights of the Parties in accordance with the Article 10.2 of the Base Terms. Depending on the complexity of the Project, the process may be iterative with multiple approval steps before final approval to proceed.

(a) IBM Responsibilities

IBM will:

- respond to a Project Service Request with a Project Service Proposal within five (5) Business Days unless otherwise agreed to in order to enable the Province to obtain approval to pay for the Project;
- prepare Project plans for each approved Project Service Proposal;

- charge the Province for Project plan development work effort in excess of five (5) Business Days, or as otherwise agreed, for a single Project;
- obtain approval from the Province for all Project plans prior to starting the Project;
- perform the services that are described in the Project plans;
- create and provide the deliverables described within the Project plans;
- obtain agreement on the completion on the Projects on the basis of the completion criteria described in the Project Plans prior to closing the Projects; and
- assist the Province to establish Project budgets in the normal budget planning period each year.

(b) Province Responsibilities

The Province will:

- ensure that Project Service Requests are only submitted by authorized individuals;
- approve or reject Project Service Proposals within ten (10) Business Days unless agreed otherwise;
- approve or reject Project plans within ten (10) Business Days unless agreed otherwise;
- approve and pay for Project plan development work effort in excess of five (5) Business Days, or as otherwise agreed, for a single Project;
- sign off on the completion of Project plans within five (5) Business Days of receiving a request; and
- establish annual budgets for Projects during the budget planning period each year.

8. Project Change Control

A Project may be changed only in writing and signed by authorized representatives of the Province and IBM. Either the Province or IBM may request a change to a Project subject to the following Project change control process.

All requests for a change to a Project will be submitted in writing by the requesting Project Manager through a Project Change Request (PCR). The PCR will reference the Project, describe at a reasonable level the options for change, the rationale for the recommended change and the impact the change may have on the Project both if it is accepted and if it is rejected.

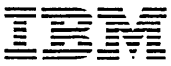
The Project Managers will review the PCR and either:

- approve the change by authorized representatives of the Province and IBM signing the PCR. Upon such approval, the change will be implemented; or
- agree in writing to submit the PCR for further investigation and to pay IBM for its reasonable charges, if any, for IBM's investigation of Client initiated requests. Such investigation will determine the technical merits and the effect on price, schedule, and other terms and conditions that may result from the implementation of the PCR. The Province and IBM will then agree to mutually approve or reject the PCR.

If the Province and IBM do not agree, either IBM or the Province may submit such PCR to the Joint Program Office for resolution; or

- reject the PCR. If rejected, the PCR will be returned to the requesting Project Manager along with the reason for rejection.

Exhibit A – Project Service Request
Exhibit B – Project Service Proposal
Exhibit C – Project Change Request



Master Services Agreement
Between
The Province and IBM

Schedule

B-15 – Exhibit A- Project Service Request

Master PSR ###

Date: _____

Initiator: _____

Project Name: _____

Summary of Project Service Request:
Detailed Description:
Additional hardware or software required:
Other:

Date Required: (dd/mm/yy) _____ **Assigned to:** _____ **Priority:** (H/M/L) _____

Additional pages attached and included as part of the amendment? Circle one. | Y | N |

IBM

Master Services Agreement
Between
The Province and IBM

Schedule

B-15 – Exhibit B- Project Service Proposal

PSP # PSP ###

Response to PSR# ##

Date: _____

Responder's Name _____

Project Name: _____

Summary of Project:
Description of Proposal:

Estimated Start Date (dd/mm/yy) _____ **Assigned to:** _____ **Priority:** (H/M/L) _____

Resources required	**Total Hours**	**Rate**	**Charge** (plus applicable taxes)
		$	$
		$	$
		$	$
		$	$
		$	$
Totals:			$

Comments:

Billing Terms: ☐ Monthly ☐ Completion of Project

Additional pages attached and included as part of the Project Service Proposal form part of the Project Service Proposal? ☐ Yes ☐ No



This Project Service Proposal is valid for agreement by the Province within 15 Business Days from the date identified at the top of this document. When signed by both parties this Project Service Proposal forms part of the Agreement.

Name	**Name**	**Name**
Title: Province	**Title:** Province	**Title:** Project Executive IBM Canada Limited
Date:	**Date:**	**Date:**

Financial Recovery Coding Number:	
Implemented By Date (dd/mm/yy):	

IBM

Master Services Agreement
Between
The Province and IBM

Schedule

B-15 – Exhibit C- Project Change Request

PCR # PCR _____

_____

_____

Date: (dd/mm/yy) _____

Initiator: _____

Project Name: _____

IBM Project Manager:	Province Project Manager	Client Project Manager
1.1.	1.3.	1.5.
1.2.	1.4.	1.6.
Summary:		
Detailed Description of Change:		

Date Required: **(dd/mm/yy)** _____ Assigned to: _____ Priority: **(H/M/L)** _____

Resource	Total Hours	Rate	Charge (plus applicable taxes)
		$	$
		$	$
		$	$
		$	$
		$	$
Totals:			$
Comments:			
Billing Terms: ☐ Monthly ☐ Completion of			

IBM

	☐	☐ Project
Additional pages attached and included as part of the amendment?	☐ Yes	☐ No

Province and IBM agree to proceed with the change outlined above, which represents a change to Project Service Request.

Name:	**Name:**	**Name:**
Title:	**Title:**	**Title:** Project Executive
Province	Province	IBM Canada Limited
Date:	**Date:**	**Date:**

Incorporated Into Plan By Date (dd/mm/yy): _____

Implemented By Date (dd/mm/yy): _____

Schedule

B-16 – Special Handling

1. Introduction

Special Handling service includes the following:

- Increasing Service Desk Service Hours to 24 x 7;
- Assisting Client Users to enter IMAC service requests;
- Chargeable dedicated on-site support;
- Chargeable dedicated on-site spares;
- VIP support;
- Chargeable support for Standard Products on non-Province Facilities;
- High security support; and
- Software tracking of Provincial software on non-Provincial hardware.

Special Handling services will be fully implemented by the end of Stage 3 Transition in accordance with the Transition Plan.

All chargeable activities in this schedule will be based on the rates in the Charges Schedule.

1.1. Increasing Service Desk Service Hours to 24 x 7

IBM will staff and provide tools and processes to act as a single point of contact for Client Users who require Level 1 support during non-core hours.

a) IBM responsibilities

IBM will:

- Provide a single point of contact for support services 24 hours a day, 7 days a week;
- During non-core hours, the Service Desk will:
  - receive and log all requests, as per the Process Interface Manual;
  - provide Level 1 support for Supported Software ;

- provide Level 1 support for approved Client Line of Business (LOB) Applications Software based on scripts provided by Clients;
- perform password resets for Client User's IDIR accounts;
- provide call status for Client User requests;
- queue any unresolved incident to the appropriate resolver group for action during the next Business Day's hours of operation, as per the Process Interface Manual;
- provide Level 2 support access during non-core hours of operation for pre-approved Client requests, at an additional charge; and
- for incidents occurring during non-core hours of operation, Service Level targets will start at the beginning of the next Business Day;

- provide reports as per Operational Reporting.

b) Province responsibilities

The Province will;

- promote the use of self help service to Client Users for Service Desk requests during non-core hours of operation;
- communicate to Clients and Client Users the differences in Service Desk responsibilities between core and Non-Core Hours;
- provide IBM with approved Service Requests for additional charges for Level 2;
- ensure that Client requests for Level 2 support access during non-core hours of operation are provided to IBM at least five (5) Business Days prior to the required Level 2 support and that the request for Level 2 support access during non-core hours of operation are for a minimum of 2 days; and
- ensure that the Client will be responsible for all charges for Level 2 support access during non-core hours of operation.

1.2. Assisting Client Users to enter IMAC service requests

a) IBM responsibilities

In addition to the IMAC Coordination service outlined Schedule B-4 IMAC Coordination, IBM through the Service Desk will assist Client Users in filling out IMAC requests over the phone. The normal service mode for this service is via a self help web form.

IBM will:

- assist Client Users in filling out IMAC requests over the phone, through the Service Desk. Province responsibilities.

The Province will:

- promote the use of self help web form for IMAC requests.

1.3. Chargeable dedicated on-site support

b) IBM responsibilities

In addition to the On-Site Support service identified in Schedule B-3 On-Site Service Support, IBM will provide additional committed onsite staffing at the Clients request.

IBM will:

- provide dedicated on-site support for pre-approved Client requests.

c) Province responsibilities

The Province will:

- provide IBM with approved service requests for dedicated on-site support;
- ensure that the Client will be responsible for all charges for dedicated on-site support; and
- ensure that the Client provides a workspace with a network connection for the use of the dedicated IBM on-site staff while at the Client facility if required.

1.4. Chargeable dedicated on-site spares

d) IBM responsibilities

This service provides for additional Supported Desktops to be pre-configured and pre-positioned in critical business units.

IBM will:

- provide dedicated spare Supported Desktops to be pre-configured, pre-positioned and patched to the current patch levels in critical business units for pre-approved Client requests, at an additional charge as identified in the Charges Schedule; and
- during failure events for designated Client User's Supported Desktops re-configure an available dedicated on-site spare Supported Desktops, at the Client User's location, for the Client User as identified in the Process Interface Manual.

e) Province responsibilities

The Province will:

- provide IBM with approved Service Requests for dedicated on-site spare Supported Desktops
- through the Service Request may provide IBM with a Client list of Client Users and locations, authorized to use the dedicated on-site spare Supported Desktops;
- ensure that the Client will be responsible for all charges for dedicated on-site spare Supported Desktops; and
- ensure that the Client provides a workspace with a SPANBC network connection and is responsible to ensure that the workstation are connected and powered on in order to maintain the appropriate patch levels. This is for the use of the dedicated on-site spare Supported Desktops at the Client facility.

1.5. VIP Support

f) IBM responsibilities

IBM will provide additional VIP support.

IBM will:

- provide on-site VIP support for pre-approved VIP Client Users;
- provide a supplementary level of service for the VIP Client Users identified in the Province's legislative precinct, a Province Facility located in Victoria, by providing 30 minute on-site service response;
- provide an increased level of service for the remaining VIPs by providing up to 2 hour on-site service response at Victoria and Vancouver;
- utilize staff that has had extra training or is more experienced;
- provide VIPs with enhanced support for personal printers and PDAs; and
- provide reports as per Operational Reporting.

g) Province responsibilities

Province will:

- provide IBM with an approved VIP support list and update as required.

1.6. Chargeable support for Standard Products on non-Province Facilities

h) IBM responsibilities

IBM will provide additional committed onsite support at the Clients request.

IBM will:

- provide on-site support for Client Users at non-Province Facilities, including home support, for pre-approved Client requests, at an additional charge as set out in Charges Schedule;
- provide home support authorization forms (as per Exhibit 1) to Client Users who are not validated as pre-approved for the service; and
- provide reports as per Operational Reporting.

i) Province responsibilities

The Province will:

- provide IBM with an authorized list for Client Users who can request support at non-Province Facilities;
- maintain a policy and corresponding home use authorization form relating to chargeable support for Standard Products on non-Province Facilities; and
- ensure that the Client will be responsible for all charges for non-Province Facilities, including Home Support.

1.7. High security support

Some Facilities requires that IBM and IBM Subcontractors have a Canadian Police Information Centre check or other enhanced security checks in order to provide on-site support.

j) IBM responsibilities

IBM will:

- ensure IBM and IBM Subcontractors dispatched for on-site support at these Province Facilities will have the required security check; and
- provide advance notice to the Client User, which may include the name, date and time of arrival of an IBM and IBM Subcontractors being dispatched for on-site support at the Province Facility that is a high security environment.

k) Province responsibilities

The Province will:

- ensure that the Client provides IBM with the required security clearance requirements for the Province Facilities and update, as required; and
- where enhanced security checks are required other than Canadian Police Information Centre the Province will pay IBM for expenses incurred.

1.8. Software tracking of Provincial software on non-Provincial hardware

l) IBM responsibilities

In addition to the IMAC Coordination service outlined Schedule B-4 IMAC Coordination IBM, through the IMAC process, will track software titles on non-government workstations.

IBM will:

- track software titles on non-government workstations, as per the Process Interface Manual.

m) Province responsibilities

The Province will:

- be responsible for the approval of the use of the Province's software on non-Province workstations in accordance with licensing terms, conditions and license key security; and
- ensure that the Client follows the IMAC processes, as per the Process Interface Manual.

Exhibit 1

CITS Workstation Support Services Branch policy: Off-site Access to Corporate Information, Home Use Authorization Form

The Province must collect limited personal information in order to facilitate the home user support services described in the CITS Workstation Support Services Branch policy entitled: 'Off-site Access to Corporate Information'. Please complete the following form and sign below. By signing below you confirm that you have read, or will read within 3 calendar days, the Off-site Access to Corporate Information policy and agree to its terms and conditions.

The personal information collected on this form is collected under the operating authority of the Ministry of Management Services and is subject to the provisions of the *Freedom of Information and Protection of Privacy Act* (RSBC 1996, C.165). The personal information will be used and maintained to provide end-user technical support services for home users, and will not be disclosed for any other purpose. For more information regarding the collection and use of this personal information, contact Mike Swift, Lead Operations Engineering, Common IT Services, at (250) 415-6061.

_____ _____

Employee Name Supervisor's Name

_____ _____

Username Email Address

_____

Ministry/Agency Name

_____

Branch/Unit Name

_____

Home Address

_____

Home Telephone Number

_____ _____

Employee Signature Date Signed

Schedule

B-17 – Special Assembly

1. Introduction

This service provides additional support for Client Users or Clients who are using workstations in a unique configuration including unmanaged workstation, non-standard workstations, training room, shared supported desktops, roaming Client User, and Supported Desktops with Nonstandard Products.

The following terms have the meanings set forth below when used in this Agreement:

- Unmanaged workstations – non-locked down workstations for Client Users, who require non-standard rights to their machine;
- Non-Standard workstations – workstations based upon an operating system or hardware configuration that is either not a Standard Configurations, such as kiosks, or not using standard Systems Software, such as Linux operating system, Macintosh operating system, Microsoft NT4 operating system;
- Training room Supported Desktops – means a Supported Desktop located in training room that require frequent reconfigurations due to the training schedules;
- Shared Supported Desktops – means a Supported Desktop operated by multiple Client Users;
- Roaming Client User – means a Client User who requires support from multiple Facilities; and
- Supported Desktops with Nonstandard Products as peripheral equipment.

2. Special Assembly

2.1 IBM responsibilities

IBM will:

- Provide Special Assembly support for pre-approved Client requests, at an additional charge as identified in the Charges Schedule:
  - in addition to the Base Technology Engineering Services support provide support for Unmanaged workstations Supported Desktops through the use of virtual desktop software, such as VMWare software, with a base desktop with an unlocked image;

- in addition to the Desktop Terminal Services support provide support for Non-Standard workstations through the DTS Terminal thin client;

- provide support for roaming Client Users through either the DTS Terminal thin client or Microsoft Corporation Windows XP roaming Ppofiles; and

- in addition to the Base Technology Engineering Services provide support for Nonstandard Products such as peripheral equipment.

- Provide support for shared and training room Supported Desktops at no incremental charge. Shared Supported Desktops are considered as one Supported Desktop.

2.2 Province responsibilities

The Province will:

- provide IBM with approved requests for additional charges for Special Assembly support and update as required;

- provide IBM with a Client list of Client Users, authorized to receive Special Assembly support and update as required;

- ensure that the Client User workstations are powered on and connected to the SPANBC network and capable of receiving patches and anti virus updates;

- ensure that the Client will be responsible for all charges for Special Assembly support;

- ensure that the Client provides all Unmanaged Workstations with virtual desktop software, such as VMWare software;

- ensure that the Client provides all Nonstandard workstations with the DTS Terminal software; and

- actively promote the use of Standard service offerings such as DTS Terminal software or laptops for their mobility requirements.

Schedule

B-18 – Desktop Terminal Services (DTS)

IBM will provide a virtual office desktop terminal service (VO DTS). This service will offer a complete server based, thin client computing solution. The Service listed in this Schedule is an alternative service for those Clients whose business requirements meet this basic service. IBM will use IBM space at one or more of the Province's data center to perform this service as listed in the Facilities Schedule.

The VO DTS environment will be based upon a combination of Citrix, IBM and the Province's best practices and architected by IBM to meet the service requirements of the Province. The VO DTS solution is based on a combination of new Citrix session servers provided by IBM and the Province's Citrix infrastructure servers. For this reason, IBM intends to collaboratively operate the VO DTS environment with the Province's Citrix team on matters of joint concern as defined in the Process Interface Manual and Common Services Schedule.

The VO DTS environment will be available and supported during the hours defined in Common Services Schedule.

Users of the VO DTS environment could be but not limited to:

- users of the customer retained desktop terminal services (DTS) that may match the baseline requirement including Core Software and published applications;
- full clients that, in addition to what their full clients have, also require access to the DTS environment;
- full clients who find that the functionality of the DTS environment meets their business requirements and therefore the full client can be replaced by the thin client;
- after-hours or home users who wish to have access to their government environment.
- other situations such as short term workers requiring the tightly controlled environment of DTS, e.g., kiosks.; and
- Customers who require access to email/SFP but are using out-of-scope hardware (like contractors and Line of Business (LOB) workstations). Further, these customers do not want the full workstation Base Service.

Prerequisites for this service:

- The Province's Shared File Print version as provided by the Province; and

- IDIR access.

1.1. IBM Responsibilities

Within the DTS environment's network operating system administration responsibilities, and for the VO DTS session servers only, IBM will:

- create, maintain and delete hard disk volumes and directory structures;
- assign account workgroups and print managers;
- add and administer users and user groups with the ability to distinguish between true thin client and DTS access for management and billing purposes;
- administer directory distribution and replication of configuration and data files;
- define and manage system resources; and
- create and modify system login/logon scripts as further defined in Client User Account Administration Schedule.

Within the DTS environment's thin client management, IBM will:

- create, maintain and update the thin client operating system using image technology as defined in the Base Technology Engineering Services.

Within the DTS environment's general logical/physical management responsibilities, and for the VO DTS session servers only, IBM will:

- participate in the Province's DTS working group;
- install Citrix Metaframe management software and utilities including remedial, as per the Operational Change Management process;
- be financially responsible for any changes implemented by IBM that impacts the Province's DTS environment;
- configure the connection configuration, as per the Operational Change Management process in Common Services Schedule, for:
    - timeout settings;
    - user shadowing;
    - Client printer, Client drive(s), clipboard, comport, LPT port and audio mapping; and
    - encryption;
- configure Citrix Metaframe load balancing;

- install and configure Core Software;
- provide Citrix Systems, Inc's (Citrix) Metaframe Core Software publishing:
    - creation and maintenance of Citrix Metaframe farms as per the Citrixresponsibility matrix in the Process Interface Manual in Common Services Schedule; and
    - publish Core Software/desktop;
- establish schedules and time windows for application upgrades or installs according to the Operational Change Management process;
- provide user profile or policy configuration as further defined in Client User Account Administration Schedule;
- provide automatic updates of client software called the Citrix Metaframe Program Neighbourhood;
- provide Citrix Metaframe printer management as per the Citrix responsibility matrix in the Process Interface Manual; and
- provide all patching and security for all products within the DTS environment.

Within the DTS environment's console operations responsibilities, and for the VO DTS session servers only, IBM will:

- monitor IBM managed hardware & software during Service Hours;
- administer and execute service management processes and procedures as per the Citrix responsibility matrix in the Process Interface Manual in Common Services Schedule;
- perform problem determination on systems and components managed by IBM:
    - hardware problems; and
    - system software problems;
- monitor availability of system processes;
- monitor and respond to system alerts and security and privacy events;
- monitor and respond to hardware alerts and events;
- monitor and maintain system error logs; and
- perform system recycles per the predefined short term operational schedule and maintenance window.

Within the DTS environment's performance and capacity management responsibilities, and for the VO DTS session servers only, IBM will:

- define performance indicators and establish thresholds to monitor server's performance against these indicators. Examples include utilization of hard drive space, , processor capacity and server memory;

- provide analysis and report on system performance trends and exceptions;

- recommend corrective action to resolve system performance and capacity problems;

- implement corrective actions approved by the change management process;

- provide analysis of system capacity trends;

- recommend configuration changes to optimize utilization of assets;

- identify the need and provide all additional system capacity required to achieve service levels;

- perform disk space cleanup;

- provide performance monitoring on the operating system and Core Software;

- provide resource planning/balancing; and

- provide forecasting of resource utilization.

1.2. Province Responsibilities

The Province will:

- establish and lead a DTS working group that will govern the standards, protocols and change control for terminal services environments;

- establish and maintain a tech currency and change roadmap;

- be financially responsible for any changes implemented by the Province that impacts the VO DTS environment;

- provide Citrix licensing for all Citrix Clients including Citrix Subscription Advantage and Core Software and Microsoft Windows Terminal Services (WTS) Client Access Licenses (CALs) to keep all such licenses current in accordance with the Technology Currency standards;

- provide and support the Citrix Web Access, Citrix Ticketing Authority, Citrix Licensing Servers, and Citrix SQL Servers with service level commitments equal to the VO DTS service levels;

- maintain defined access controls for the protection of the Citrix Web Access, Citrix Ticketing Authority and Citrix Licensing Servers;

- provide IBM with system logs and resource reports from the Citrix Web Access, Citrix Ticketing Authority, Citrix Licensing Servers and Citrix SQL Servers;

- provide and support a separate Citrix Metaframe environment for publishing of line of business applications; and

- provide Citrix licensing configuration including licensing administration.

Schedule

B-19 – SMS Server Management

1. Introduction

This schedule outlines IBM responsibilities related to the Provinces current Microsoft's SMS server environment and IBM's obligation to create an ongoing service solution and deploy this solution during stage 4 of Transition.

1.1 IBM responsibilities during stage 4 Transition

IBM will during Transition:

- initially utilize the Province's Microsoft SMS 2.0 servers as listed in Equipment Schedule into the Services;
- provide the server hardware and Microsoft SMS 2003 Server software required to deliver the service, prior to the start of stage 4 Transition;
- provide on going support to the new Microsoft SMS 2003 Servers in accordance with and based on the support levels from Microsoft and services;
- return the Province Microsoft SMS 2.0 servers to the Province, after decommissioning; and
- provide all ongoing labor, space and facility charges for the new Microsoft SMS 2003 servers.

1.2 Province responsibilities during stage 4 Transition

The Province will during Transition:

- be responsible for all retained hosting labour (including operating system and hardware maintenance), space and facility charges for the Province's current Microsoft SMS 2.0 servers until decommissioned;
- deploy Microsoft SMS 2.0 to all Supported Desktops prior to the Commencement Date;
- be responsible for deploying Microsoft SMS 2.0 servers as required;
- until the Provinces current Microsoft SMS 2.0 servers are decommissioned:
    - provide IBM with applicable Microsoft SMS 2.0 vendor license agreements for Province's current Microsoft SMS 2.0 servers, as required;
    - pay for and maintain hardware maintenance agreements for the Province's current Microsoft SMS 2.0 servers;

- approve, as appropriate, the use and installation of automated tools required by IBM to provide the Services;
- review and approve, as appropriate, IBM recommendations relating to hardware, operating system and utility software upgrades for Province current Microsoft SMS 2.0 servers; and
- be responsible for all software licensing costs associated with all operating system upgrades, Microsoft SMS 2.0 software upgrades;

- provide IBM with Microsoft SMS 2003 Client Access Licence (CALs) for all Supported Desktops;
- provide IBM with sufficient access to the existing Province's current Microsoft SMS 2.0 servers for IBM to utilize the until the Microsoft SMS 2003 CALs are deployed to all Supported Desktops; and
- make space and facility available to IBM for the new Microsoft SMS 2003 servers.

1.3 Systems and Technical Support post Transition

a) IBM responsibilities

Supported SMS Server – means a new IBM provided Microsoft SMS 2003 server set forth in Schedule J (*Equipment*) as modified or upgraded from time to time.

IBM will:

- configure, set up, deploy and maintain Supported SMS Servers and storage capacities within the parameters of the hardware and operating system;
- monitor Supported SMS Servers using automation utilities tools;
- create and maintain Supported SMS Server configuration documentation such as operating system configuration and hardware configuration;
- plan, schedule, apply and test required patches and upgrades of the operating system and anti-virus software on Supported SMS Servers, as required to deliver the Services;
- make minor adjustments to the operating system, Microsoft SMS 2003 software and automation utilities on a commercially reasonable basis that will not impact Service Levels or Client Users;
- notify and manage IBM Subcontractor hardware vendors when repairs to Supported SMS Server hardware is needed;
- adhere to the Province's policies and procedures for privacy and security;
- adhere to the Province's standard naming convention when adding or deleting resources; and
- be financially responsible for the server hardware, SMS server licenses (not CALs) and technical support required to deliver the Microsoft SMS 2003 solution until such time as IBM replaces the Microsoft SMS 2003 solution, then IBM will be financially responsible for the server hardware, server and Client User software and technical support required to deliver the replacement solution.

b) Province responsibilities

The Province will:

- provide SPANBC network capacity to allow IBM to perform the Services requiring the use of Supported SMS Servers;

- provide additional network capacity required to mitigate changes to their network utilization patterns; and

- be financially responsible for all SMS CALs until such time as IBM replaces the Microsoft SMS 2003 solution with the exception of Broader Public Sector organizations.

1.4 File and Storage Management Services post Transition

a) IBM responsibilities

IBM will:

- document, maintain, update and execute file backup and recovery procedures for the Supported SMS Servers;

- provide a backup and recovery procedure as required to meet the Services for the Supported SMS Servers;

- conduct scheduled backup and recovery procedures for the Supported SMS Servers; and

- conduct routine monitoring and take corrective action to ensure that scheduled backups are completed successfully for the Supported SMS Servers.

b) Province responsibilities

Province will:

- provide SPANBC network capacity to allow IBM to perform a mutually agreed to backup strategy; and

- provide additional network capacity required to mitigate changes to their network utilization patterns.

1.5 Capacity Planning post Transition

a) IBM responsibilities

IBM will:

- monitor and document the Supported SMS Servers resource utilization trends and utilize the information for use in determining future needs;

- install, test and maintain automation utilities for capacity planning for the Supported SMS Servers;

- notify the Province in a timely manner if Supported SMS Servers are projected to exceed resource utilization thresholds required to perform the Services based on utilization trends, due to a Client business change;

- assist the Province with the development and implementation of mitigation strategies related to changes that have affected the Province network utilization patterns;

- perform emergency upgrades or modifications to the Supported SMS Servers in the event IBM believes that Service Levels or processing requirements will be impaired; and

- implement upgrades or modifications to the Supported SMS Servers in order to provide sufficient ongoing processing capacity to perform the Services.

b) Province responsibilities

Province will:

- provide additional network capacity or fund other mitigation strategies, required to mitigate changes to the Province network utilization patterns; and

- ensure that Client's are responsible for charges associated with the Supported SMS Servers due to a Client business change.

Schedule
B-20 Special Customer

1. Introduction

This Service includes support for Services to end users of Special Customers as listed in Exhibit A to this schedule.

2. Special Customers that don't use the Standard Configuration

This Service provides support for Special Customers, where the client wishes to retain control of their hardware. These users are not Client Users but require services similar to the Services provided to the Client Users in the Agreement.

2.1 IBM responsibilities

IBM will:

- provide the Services to the Special Customers; and
- provide configuration changes to hardware and software at an additional charge as a Project at the Hourly Services Rate.

2.2 Province responsibilities

The Province will:

- provide IBM approved Ssrvice requests;
- ensure that the Special Customers are responsible for their charges;
- establish a documented agreement with Special Customers to be consistent with the provisions of this schedule and ensure that the Special Customers provides an end user machine that will meet the following pre-requisites:
    - must be from a tier 1 manufacturer utilizing System Software from the Core Software list in Standards Supported Software Schedule;
    - must utilize the Province's Microsoft Active Directory (IDIR) and Microsoft Exchange e-mail systems;
    - must have a SPANBC network connection;
    - must have Microsoft SMS 2003 Client Access License (CALs);
    - must have the antivirus desktop software from the Core Software in Standards Supported Software Schedule;

- must have IBM ThinkVantage desktop software;
- the workstation must be procured through the Order Management;
- the workstation must be deployed via the Project Service, at the standard deployment charges;
- the workstation must have three (3) year on-site warranty equal to the Supported Desktops; and
- the workstation must accept a hardware refresh schedule in alignment with the Supported Desktops; and

- the workstation utilize software at the N or N-1 category from the Core Software and Supported Software in Standards Supported Software Schedule.

3. Special Customer IDIR and Email Support Services

This service includes only account administration for Special Customers not in the Baseline. These users are not Client Users but require IDIR and email support services.

This service follows the processes listed in Client User Account Administration.

3.1 IBM responsibilities

IBM will:

- provide user account administration for pre-approved Special Customers, at an additional charge.
- adhere only to the following Service Levels:
  - Average Speed of Answer;
  - Abandoned Call Percentage;
  - First Call Resolution;
  - Create New User; and
  - Password Reset; and
- provide only Digital Dashboard reporting as defined in the Operational Reporting Schedule.

3.2 Province responsibilities

Province will:

- provide IBM approved Service Requests;
- ensure that the Special Customers are responsible for their charges;
- ensure that the Special Customer has the necessary prerequisites, such as an end user machine with sufficient capacity, software and SPANBC network connection to utilize the Province's Microsoft Active Directory (IDIR) and Microsoft Exchange e-mail systems, as defined in the Process Interface Manual; and

- promote the use of self help service to the Special Customer end users for password resets.

Exhibit A

- Tourism BC
- BC Utilities Commission
- BC Film Commission

Schedule
B-21 – New Services

New Services can be developed and provided to the Province or to Clients under this Agreement. New Services will be added to the Agreement through the Change Order Process. New Services added to this Agreement must be;

- able to demonstrate that the New Services support the objectives as set out in the Joint Solution Request For Proposal #SATP-042 which were:
    - Ongoing reduction of annual seat costs
    - Implement rapid advancement of standardization of Equipment and regionalized service levels.
    - A high rate of continual improvement in service levels to achieve best-in-class standards as soon as possible
    - Establish and maintain positive and productive working relationships with the Client Ministries.
    - Enable a rapid transition to the new service delivery model.
- able to support the achievement of the vision put forward by IBM as part the final solution proposed on June 1, 2004. IBM and the Province will:
    - provide client-focused, innovative workplace support services, that are sufficiently flexible to meet the business needs of the Clients;
    - implement best practices and continuous improvement processes to be efficient and cost effective; and
    - jointly contribute to transforming CITS into a centre of excellence for IT shared services.
- related to support of technologies that are currently defined as in-scope workplace technologies:
    - hardware technology including desktops, laptops, shared printers, personal printers, specialty printers, scanners, other peripheral devices directly attached to workstations, Personal Digital Assistants (PDA), other mobile computing devices, other input and output devices attached to the local area network (LAN) up to and including the ports on the routers, and wireless LAN components;
    - software technology that include Commercial Off the Shelf (COTS) software applications; and

    - software applications that are shared services applications offered to the Clients as shared services applications such as i-Expenses, Time-On-Line, TRIM, CAS etc.;

- closely related new technologies introduced that are workplace technologies;
- related to the integration of workplace technologies with closely related Province or Client technology;
- integration of the Services with closely related Province or Client services;
- services that enable improvement of the Service Levels as defined in the Service Levels Schedule;
- services that resolve the reduction of Incident or service request baselines thus enabling reduction in cost to the Province; and
- services that enable achievement of improvements in Client satisfaction as measured monthly;

New Services can be added to this Agreement in the form of Project Services, as additions to Base Services, Special Assembly services, or Special Customer Services, at the applicable charges set out in Schedule F (Charges). The New Services can be requested to be added through a Change Order by the Province, Clients, or IBM. All New Services requested by Clients must be approved by the Province and the Client organization.

Schedule

C – Form of Certified Copies of Extract of Key Subcontracts

See attached form.

IBM CANADA LIMITED
CERTIFICATE

The undersigned, GREG GULYAS, Vice President of IBM Canada Limited, does hereby certify that:

(a) annexed hereto forming part hereof and marked as Exhibit "A-1" is a true and complete copy of Section 14.3 of the Agreement between IBM Canada Limited and Tecnet Canada Inc. ("Tecnet") dated December 2, 2004.

(b) annexed hereto forming part hereof and marked as Exhibit "A-2" is a true and complete copy of Section 14.8 of the Agreement between IBM Canada Limited and Tecnet dated December 2, 2004.

(c) annexed hereto forming part hereof and marked as Exhibit "A-3" is a true and complete copy of Section 26.3(d) of the Agreement between IBM Canada Limited and Tecnet dated December 2, 2004.

(d) annexed hereto forming part hereof and marked as Exhibit "B-1" is a true and complete copy of Section 14.3 of the Agreement between IBM Canada Limited and 341234 B.C. Ltd. carrying on business as Microserve Business Computer Services ("Microserve) dated December 2, 2004.

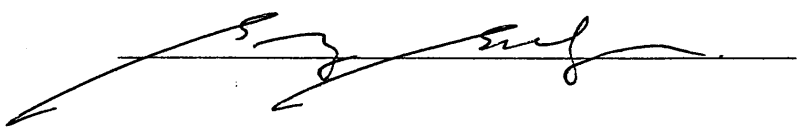
(e) annexed hereto forming part hereof and marked as Exhibit "B-1" is a true and complete copy of Section 14.8 of the Agreement between IBM Canada Limited and Microserve dated December 2, 2004.

(f) annexed hereto forming part hereof and marked as Exhibit "B-1" is a true and complete copy of Section 26.3(d) of the Agreement between IBM Canada Limited and Microserve dated December 2, 2004.

(g) annexed hereto forming part hereof and marked as Exhibit "C-1" is a true and complete copy of the Section of the Agreement between IBM Canada Limited and ISM Information Systems Management Canada Corporation ("ISM") dated December 2, 2004 whereby ISM agrees to comply with the obligations of Sections 14.3 of the Master Services Agreement between IBM and Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Management Services.

(h) IBM and the Province acknowledge that the Province has not reviewed or been given copies of the Key Subcontracts, and that it is IBM's responsibility to enter into Key Subcontracts that are consistent with the requirements of the Agreement with respect thereto, and the terms of the Agreement shall be binding upon IBM regardless of any inconsistent or contrary terms contained in any Key Subcontract, whether or not and without regard to the fact that the Province may have directly and/or indirectly (through the certified extracts of the Key Subcontracts or otherwise) been given notice of any such inconsistent or contrary terms.

I have hereto subscribed my name, the 3rd day of December, 2004.



14.3 Disclosure of Personal Information.

Tecnet shall not disclose Personal Information to which it has or may have access to any Person for any reason other than as contemplated pursuant to this Article 14 (*Privacy, Security and Confidentiality*) of the Agreement, as contemplated in the ordinary performance of the Services and as permitted in accordance with the *Freedom of Information and Protection of Privacy Act* (British Columbia), and for the purposes thereof, Tecnet shall comply with the *Freedom of Information and Protection of Privacy Act* (British Columbia) with respect to Personal Information to the extent such Act applies to Tecnet as an "associate" or "service provider" within the meaning of the *Freedom of Information and Protection of Privacy Act* (British Columbia). Without limiting the generality of the foregoing, Tecnet shall:

(a) not disclose any Personal Information outside Canada whether pursuant to a Disclosure Order, as more expressly limited pursuant to Section 14.7 (*USA Patriot Act*) of the Agreement, or otherwise;

(b) only disclose Personal Information in response to a subpoena, warrant, order, demand or request by a court or other authority if it is a Canadian court or Canadian authority that has jurisdiction to compel such disclosure;

(c) notify IBM and the Province if it receives a subpoena, warrant, order, demand or request to disclose Personal Information by a foreign court or other such authority outside Canada;

(d) notify IBM and the Province of any unauthorized use or disclosure of Personal Information;

(e) in relation to Personal Information, comply with the requirements of the *Freedom of Information and Protection of Privacy Act* (British Columbia) applicable to Tecnet as an "associate" or "service provider", including any applicable order of the commissioner under that Act.

14.8 Safeguarding Confidential Information.

Each of the Parties acknowledges and agrees that all Confidential Information of the other Party, as well as the Province Confidential Information, whether received or created before or after the Commencement Date, will be received in the strictest confidence and in accordance with and subject to the terms of this Agreement (including **Schedule R** (*Privacy Obligations*)), if applicable pursuant to a Change Order and to the extent the information is Personal Information). The Party receiving the Confidential Information or Province Confidential Information will retain such information in confidence and shall treat such information in accordance with the terms of this Agreement and with a degree of care no less than the degree of care that the receiving Party employs for the protection of its own Confidential Information of a similar nature; provided that in any event the receiving Party shall use a reasonable degree of care to protect such Confidential Information or Province Confidential Information appropriate to the nature of the information.

(c) obligations regarding compliance with Applicable Laws of Canada and British Columbia as applicable to the Subcontractor and to the extent related to the performance of the subcontracted Services, including source deductions and remittances (including for taxes, workers compensation and similar requirements);

(d) termination rights consistent with the terms of this Agreement;

(e) assignment rights to in favour of IBM, the Province or an Alternate Service Provider upon the termination or expiry (as applicable) of this Agreement, without any further consent from the Subcontractor or any additional, accelerated or other similar payments having to be made;

(f) any other provisions necessary for Tecnet to fulfill its obligations under this Agreement.

14.3 Disclosure of Personal Information.

Microserve shall not disclose Personal Information to which it has or may have access to any Person for any reason other than as contemplated pursuant to this Article 14 (*Privacy, Security and Confidentiality*) of the Agreement, as contemplated in the ordinary performance of the Services and as permitted in accordance with the *Freedom of Information and Protection of Privacy Act* (British Columbia), and for the purposes thereof, Microserve shall comply with the *Freedom of Information and Protection of*

Privacy Act (British Columbia) with respect to Personal Information to the extent such Act applies to Microserve as an "associate" or "service provider" within the meaning of the *Freedom of Information and Protection of Privacy Act* (British Columbia). Without limiting the generality of the foregoing, Microserve shall:

(a) not disclose any Personal Information outside Canada whether pursuant to a Disclosure Order, as more expressly limited pursuant to Section 14.7 (*USA Patriot Act*) of the Agreement, or otherwise;

(b) only disclose Personal Information in response to a subpoena, warrant, order, demand or request by a court or other authority if it is a Canadian court or Canadian authority that has jurisdiction to compel such disclosure;

(c) notify IBM and the Province if it receives a subpoena, warrant, order, demand or request to disclose Personal Information by a foreign court or other such authority outside Canada;

(d) notify IBM and the Province of any unauthorized use or disclosure of Personal Information;

(e) in relation to Personal Information, comply with the requirements of the *Freedom of Information and Protection of Privacy Act* (British Columbia) applicable to Microserve as an "associate" or "service provider", including any applicable order of the commissioner under that Act.

information.

14.8 Safeguarding Confidential Information.

Each of the Parties acknowledges and agrees that all Confidential Information of the other Party, as well as the Province Confidential Information, whether received or created before or after the Commencement Date, will be received in the strictest confidence and in accordance with and subject to the terms of this Agreement (including **Schedule R** (*Privacy Obligations*)), if applicable pursuant to a Change Order and to the extent the information is Personal Information). The Party receiving the Confidential Information or Province Confidential Information will retain such information in confidence and shall treat such information in accordance with the terms of this Agreement and with a degree of care no less than the degree of care that the receiving Party employs for the protection of its own Confidential Information of a similar nature; provided that in any event the receiving Party shall use a reasonable degree of care to protect such Confidential Information or Province Confidential Information appropriate to the nature of the information.

All Subcontracts entered into by Microserve with Subcontractors shall include the following provisions:

(a) adherence by the Subcontractor to the applicable obligations of Microserve in the same manner as provided in this Agreement including, without limitation, the Service Levels, confidentiality obligations, intellectual property provisions, data exchange, reporting, audit and access rights (for greater certainty, such rights must directly provide for the Province to be able to exercise its rights under this Agreement in respect of the Subcontractor as if such Subcontractor was instead Microserve), and applicable Privacy Obligations;

(b) assignment of intellectual property rights to Microserve or licenses to Microserve in respect of any intellectual property created in such relationship, and waiver of moral rights in respect of the same, to the extent required by Microserve to comply with its obligations under this Agreement;

(c) obligations regarding compliance with Applicable Laws of Canada and British Columbia as applicable to the Subcontractor and to the extent related to the performance of the subcontracted Services, including source deductions and remittances (including for taxes, workers compensation and similar requirements);

(d) termination rights consistent with the terms of this Agreement;

(e) assignment rights to in favour of IBM, the Province or an Alternate Service Provider upon the termination or expiry (as applicable) of this Agreement, without any further consent from the Subcontractor or any additional, accelerated or other similar payments having to be made;

Notes to Table:

1. The Province retains its responsibilities.
2. ISM acknowledges and agrees that it will comply with the provisions of sections 14.3 and 14.8 of the Master Services Agreement attached to this letter agreement in the performance of the ISM Services. In relation to Personal Information as defined in the Master Services Agreement, ISM agrees to comply with the requirements of the Freedom of Information and Protection of Privacy Act (British Columbia) applicable to ISM as an "associate" within the meaning of that Act, including any applicable order of the commissioner under that Act.

Schedule D

Service Levels

1.0 Introduction

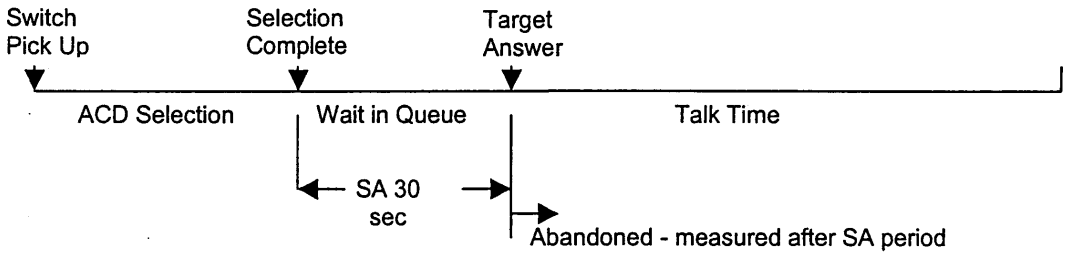
This Schedule defines the Service Level Requirements and Service Level Objectives, and Interim Service Levels. This Schedule outlines the expected service levels from Commencement Date to the end of Stage 4. At the end of Stage 4, Service Level Requirements are subject to measurements, penalties and credits as set out in Article 6 of the Master Services Agreement.

2.0 Service Level Definitions

2.1 Service Level Requirements

SPEED TO ANSWER

The speed to answer is the time a call is in the IBM queue before an agent picks up the phone, commonly expressed as X% of calls answered in Y seconds (e.g., 75% answered within 30 seconds).



Speed to Answer = (number of Calls answered within criteria within the reporting period / total number of all Calls received within the reporting period that meet the criteria) x 100

ABANDON CALL RATE

Abandoned Call means the Client User has hung up the telephone 30 seconds or more after making a selection to route the Call to Service Desk agent. The abandoned Call rate is the % of Calls abandoned of all Calls received at the Service Desk.

Abandon Rate = (total number of Calls abandoned within the reporting period – Calls abandoned that did not meet the criteria within the reporting period) / (total number of all Calls received within the reporting period – Calls abandoned that did not meet the criteria within the reporting period) X 100

FIRST CALL RESOLUTION RATE

Resolution, as it pertains to this First Call Resolution Rate, applies to Incidents received at the Service Desk that are within the scope of this Agreement. This measurement would exclude Service Requests and Calls that are directed to and resolved by LOB, CITS, or 3rd Parties.

First Call resolution rate is the % of Calls that are resolved on the first Call to the Service Desk where the resolution is completed without the requirements for the Client to place additional Calls to the service desk for resolution. This includes Calls that are Incidents that are resolved through automation, self-service options, and warm transfers to other IBM Support Personnel.

First Call Resolution = (number of Incidents that the Service Desk resolves during First Call within the reporting period / (total number of Incidents received within the reporting period – Incidents the Service Desk was not capable of resolving within the reporting period)) X 100

TIME TO REMEDY FOR URBAN SITES AND RURAL SITES

Time to remedy is the time required to resolve or provide a workaround to restore complete or reasonable business functionality for Incidents reported on Standard Products at Urban Sites and Rural Sites. The remedy time is the elapsed time from the time the Incident is received at the Service Desk to the time the user has reasonable function restored as reported by the IBM Support Personal. This Service Level Requirement will apply to all Severity Level 1 "Critical", Severity Level 2 "High", and Severity Level 3 "Medium" Incidents for Standard Products.

The following situations do not qualify for the committed Service Level Requirement. These Incidents will be automatically identified as low priority calls if the Incidents:

- are deferred by the Client User to a time greater than the Service Level Requirement; or
- are for break-fix where contracted Service Level Requirements are greater than Time to Remedy Service Level Requirement; or
- are dispatched to other 3rd parties for resolution; or
- are for a Non-standard Product.

The service level target is a measurement of Service Hours. The Service Level Requirement is a measurement of the % of incidents that are resolved within the target time frame. The target time frame differs for Urban and Rural while Remote is a Service Level Objective.

Time to Remedy Urban Sites = (total number of Urban Incidents that have been remedied by IBM Support Personnel within the targeted time frame within the reporting period / (total of all Urban Incidents received within the reporting period – the Urban Incidents that could not have been remedied by IBM Support Personnel within the reporting period)) X 100

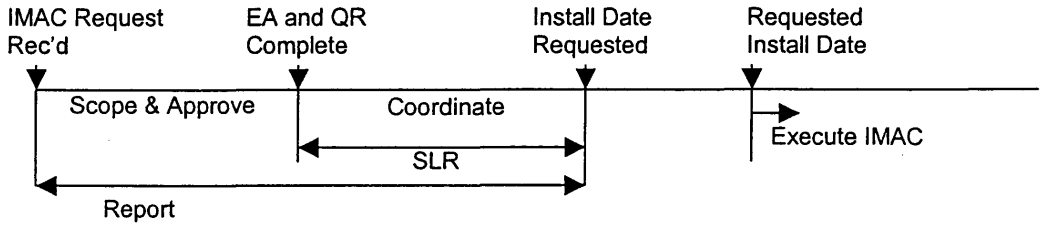
Time to Remedy Rural Sites = (total number of Rural Incidents that have been remedied by IBM Support Personnel within the targeted time frame within the reporting period / (total of all Rural Incidents received within the reporting period – the Rural Incidents that could not have been remedied by IBM Support Personnel within the reporting period)) X 100

IMAC COORDINATION COMPLETION

IMAC Coordination is the act of the technical and logistical arrangements to enable an IBM Support Personnel to perform an IMAC. IMAC Coordination Completion time is the time from when the Expense

Authority responsibility is complete (or the Quality Receiver task is complete if items need to be procured) and the time that the Service Request has been made to the Client User to perform the installation.

The Service Level Requirement applies to Service Requests for Standard Products. The service level measurement is the % of IMAC Service Requests that are complete within the target completion time period. This completion rate is measured in Business Days.



IMAC Coordination = (number of Service Requests scheduled within the targeted time frame within the reporting period / (total of all Service Requests received within the reporting period – Service Requests "rejected, withdrawn or rescheduled" within the reporting period)) X 100

IMAC EXECUTION COMPLETION – SOFTWARE

IMAC Execution is a completion of a change in Supported Software on a Supported Desktop as defined within an IMAC Service Request, which has been dispatched to an IBM Support Personnel.

This Service Level Requirement applies to requests for Supported Software that has been previously packaged for electronic software delivery. The Service Level Requirement target is a measurement of time from the requested installation date to the actual installation date. The measurement is the % of IMACs completed within the specified target completion time and is measured in Business Days.

IMAC Execution (ESD) = (number of Service Requests completed within the targeted time frame within the reporting period / (total of all Service Requests received within the reporting period – Service Requests "rejected, withdrawn or rescheduled" within the reporting period)) X 100

ORDER PLACEMENT

Order placement is the preparation of a requisition for a Standard Product(s) for a Client or Client User. The completion time is the elapsed time in Business Days from receipt of the requisition request, to submission of the requisition to the "party responsible" for preparation of the purchase order.

The measurement is the % of all requisition requests received that are processed within the target completion time.

Order Placement = (number of requests processed within the targeted time frame within the reporting period / (total of all requests received within the reporting period – requests "rejected, withdrawn or rescheduled" within the reporting period)) X 100

SOFTWARE PATCH DISTRIBUTION

Software patch distribution is the act of electronically delivering updates to the Core Software that resides on a Supported Desktop. These updates are service packs or security patches released by the Core Software manufacturer. The software patch distribution service level measurement is the % of successful

distributions of packaged Core Software updates to active and available Supported Desktops within the specified period of time.

Active and available Supported Desktops are those that are available online on the SPANBC network within the distribution and measurement window, including a functioning SMS agent installed. The service level applies to distributions of patches with a file size of less than 5MB.

The measurement period begins at the time the patch is scheduled and is measured in Business Days. The measurement is based on the standard SMS reports that will show the total Supported Desktops available and the Supported Desktops that completed the patch successfully.

Software Patch Distribution = (number of software patches successfully distributed within the targeted time frame within the reporting period / (total of all Software Patches received within the reporting period – Software Patches "rejected, withdrawn or rescheduled" within the reporting period)) X 100

SECURITY – CREATE NEW USER

Create a new Client User ID is the completion of the authorized request required to create and provide a Client User ID for IDIR and Global Address List (GAL).

The performance measurement is the % of all approved requests for new Client User IDs on the IDIR and GAL systems that are within the target completion date. The time measured is the time from receipt of the authorized request at the Service Desk to the time the ID is issued to the Client User via the defined process and approved delivery method (e.g. the new ID is provided to the manager of the new user via e-mail). The time stamps are recorded and reported within the service request management system at the Service Desk. The service level excludes batch requests for new ID's (e.g. a single request to add 25 new ID's to support a project and new business area).

Create New User = (number of new users completed within the targeted time frame within the reporting period / (total of all new user requests received within the reporting period – new user requests "rejected, withdrawn or rescheduled" within the reporting period)) X 100

SECURITY – PASSWORD RESET

Password reset is the reset of a password and providing that new password to the Client User within IDIR and GAL.

The performance measurement is the % of password reset requests that are completed within the target completion time. The completion time is measured in business hours.

Password Reset = (number of passwords resets completed within the targeted time frame within the reporting period / (total of all password resets requests received within the reporting period – password resets requests "rejected, withdrawn or rescheduled" within the reporting period)) X 100

SECURITY – EMERGENCY NOTIFICATION

An emergency notification is a requested communication to Client Users in response to an Incident that is a critical security exposure or breach assessed by CITS to require an emergency notification to all or many Client Users. This notification may need to be included within the IVR status message at the Service Desk.

The target service measurement is the time from when CITS has notified IBM and has provided the necessary details and content of the message to IBM. The service level measurement is the % of messages that are recorded within the target time of all the requested communications received.

Emergency Notification = (number of emergency notification requests posted within the targeted time frame within the reporting period / (total of all emergency notification requests received within the reporting period – emergency notification requests "rejected, withdrawn or rescheduled" within the reporting period)) X 100

2.2 Service Level Objectives

ANTI-VIRUS 'DEFINITION FILE' DISTRIBUTION

The anti-virus definition file is a data file provided by the antivirus manufacturer as listed in the Standard Software Schedule, to be installed on each Supported Desktop in order that the antivirus program can detect the most recently defined computer viruses when the antivirus program runs.

The anti-virus definition files are distributed weekly or on emergency basis if required and requested by CITS. The Province and IBM will work together to build a measurement for this service that will ensure the Clients and Client Users Anti-Virus definition files are updated on a timely basis.

Anti-Virus 'definition file' Distribution = TDB

CUSTOMER SATISFACTION

The measurement of customer satisfaction is the percentage of respondents who are satisfied or very satisfied based on a four-point measurement system that also includes very unsatisfied, and unsatisfied.

The measurements are a weekly electronic survey sent to sufficient Client Users to attain a specific % of responses for the measurement period. The results are totaled and reported monthly.

Customer Satisfaction = (1 – ((Very Unsatisfied within the reporting period + Unsatisfied within the reporting period) / total of all customer satisfaction sent within the reporting period) X 100

SATISFACTION SURVEY SAMPLING

This Service Level Objective is a measurement of the % of Incidents that are surveyed for their level of satisfaction within the reporting period of all Incidents closed within reporting period.

Satisfaction Survey = (number of Client Users that will receive the Survey within the reporting period / total of all Service Desk requests closed within the reporting period) X 100

SERVICE DESK RESPONSE TO EMAIL

This Service Level Objective is a measurement of the % of Incidents and Service Requests reported by e-mail that are acknowledged within the target time. The results are tabulated and reported monthly.

Service Desk Response to Email = (number of unique Email Incidents that the Service Desk acknowledges within the targeted time frame within the reporting period / total of all Email requests received by the designated Service Desk Email ID within the reporting period – (Email requests received from non Client Users within the reporting period)) X 100

SERVICE DESK RESPONSE TO VOICE-MAIL

This Service Level Objective is a measurement of the % of Incidents and Service Requests reported by voice-mail that are acknowledged within the target time. The results are tabulated and reported monthly.

Service Desk Response to Voice-Mail = (number of unique Voice-Mail Incidents that the Service Desk acknowledges within the targeted time frame within the reporting period / total of all Voice-Mail requests received by the designated Service Desk Voice-Mail ID within the reporting period – (Voice-Mail requests received from non Client Users within the reporting period)) X 100

NOTIFICATION OF INCIDENTS OF CRITICAL STATUS

The Province and IBM will work together to build a measurement for this service that will ensure the Clients and Client Users are notified on a timely basis of events that reach a critical status.

Notification of Incidents of Critical Status = TDB

TIME TO REMEDY FOR REMOTE SITES

Time to remedy is the time required to resolve or provide a workaround to restore complete or reasonable business functionality for Incidents reported on Standard Products at Remote Sites. The remedy time is the elapsed time from the time the Incident is received at the Service Desk to the time the user has reasonable function restored as reported by the IBM Support Personal. This Service Level Objective will apply to all Severity Level 1 "Critical", Severity Level 2 "High", and Severity Level 3 "Medium" Incidents for Standard Products.

The following situations do not qualify for the committed Service Level Objective. These Incidents will be automatically identified as low priority calls if the Incidents:

- are deferred by the Client User to a time greater than the Service Level Objective; or
- are for break-fix where contracted Service Level Objective are greater than Time to Remedy Service Level Objective; or
- are dispatched to other 3rd parties for resolution; or
- are for a Non-standard Product.

The service level target is a measurement of Service Hours. The Service Level is a measurement of the % of incidents that are resolved within the target time frame. This target time frame is for Remote.

Time to Remedy Remote Sites = (total number of Remote Incidents that have been remedied by IBM Support Personnel within the targeted time frame within the reporting period / (total of all Remote Incidents received within the reporting period – the Remote Incidents that could not have been remedied by IBM Support Personnel within the reporting period)) X 100

TIME ONSITE – HIGH PRIORITY – URBAN

This Service Level Objective is a measurement of the % of High Priority Calls requiring Onsite Services Support when the IBM Support Personnel arrives at an Urban Facility within the target time.

Average Time Onsite "High Priority–Urban" = (number of "High Priority–Urban" Incidents that require IBM Support Personnel at a Urban Site within the targeted time frame within the reporting period / total of all "High Priority–Urban" Incidents that could have been remedied by IBM Support Personnel within the reporting period) X 100

HARDWARE & SOFTWARE INSTALL (URBAN, RURAL, REMOTE)

This Service Level Objective applies to Service Requests for installing Supported Products for Client User(s).

The Service Level Objective target is a measurement of time from the requested installation date to the actual installation date. The measurement is the % of installs completed within the specified target completion time and is measured in Business Days. The target timeframe differs for Urban, Rural and Remote Facilities.

Hardware & Software Install "Urban" = (number of install requests "Urban" completed at a Urban Site within the targeted time frame within the reporting period / (total of all install requests "Urban" that could have been remedied within the reporting period – "Urban" install requests "rejected, withdrawn or rescheduled" within the reporting period)) X 100

Hardware & Software Install "Rural" = (number of install requests "Rural" completed at a Rural Site within the targeted time frame within the reporting period / (total of all install requests "Rural" that could have been remedied within the reporting period – "Rural" install requests "rejected, withdrawn or rescheduled" within the reporting period)) X 100

Hardware & Software Install "Remote" = (number of install requests "Remote" completed at a Remote Site within the targeted time frame within the reporting period / (total of all install requests "Remote" that could have been remedied within the reporting period – "Remote" install requests "rejected, withdrawn or rescheduled" within the reporting period)) X 100

VALIDATED ORDER

Time to validate an order is the time required for the order desk to respond to the Client or Client User with a validated order configuration or the time to provide an estimated date for a revised order configuration based on requested Standard Products.

The Province and IBM will work together to build a measurement for this service that will ensure the Clients and Client Users are notified on a timely basis.

Validated Order = TDB

TECHNOLOGY ENGINEERING SERVICES – RESPONSE TO SERVICE REQUESTS

Time to provide an appropriate amount of detail on Customer proposed product standards, project strategies and plans. An appropriate response for a large Project strategy or product initiative could be a proposal for an in-depth planning Project.

The Province and IBM will work together to build a measurement for this service that will ensure the Clients and Client Users are notified on a timely basis.

Technology Engineering Services = (number of Service Requests responded to within the targeted time frame within the reporting period / (total of all Service Requests received within the reporting period – Service Requests "rejected, withdrawn or rescheduled" within the reporting period)) X 100

SELF HELP SERVICES AVAILABILITY

This Service Level Objective is a measurement of the % of hours the Self Help Service is available of the total hours that the service is scheduled to be available. This set of tools includes the Virtual Help Desk and the automated password management functions.

The targeted available hours are the total hours within the reporting period minus any scheduled maintenance periods.

Self Help Services Availability = (number of hours Self Help services were available to Client Users within the reporting period / (total hours within the reporting period – excusable downtime within the reporting period)) X 100

INVENTORY ACCURACY

This is a measurement of % accuracy of actual on hand assets compared to the inventory report for assets in the warehouse inventory. The audit of assets will be as requested by the Province not more frequently than semi-annually.

Inventory Accuracy = TDB

MODIFY OR DELETE ID

This Service Level Objective is a measurement of the % of requests for deletion (Suspend ID(s)) or change of Client User (IDIR or GAL) IDs that are completed within the target completion time.

The completion time is a measurement of elapsed time from the time the request is authorized and received by the Service Desk to the time the Service Request is completed.

Modify or Delete ID = (number of Modified or Deleted ID requests completed within the targeted time frame within the reporting period / (total of all Modify or Delete ID requests received within the reporting period – Modify or delete ID requests "rejected, withdrawn or rescheduled" within the reporting period)) X 100

TRANSFER USER TO OR FROM CLIENT ORGANIZATION GROUP

This Service Level Objective is a measurement of the % of requests for the transfer of Client User ID (IDIR or GAL) from one organizational unit to another that is completed within the target completion time.

The completion time is a measurement of elapsed time from the time the Service Request is authorized and received by the Service Desk to the time the Service Request is completed.

Transfer User = (number of Transfer User requests completed within the targeted time frame within the reporting period / (total of all Transfer Users requests received within the reporting period – Transfer User requests "rejected, withdrawn or rescheduled" within the reporting period)) X 100

PROJECT – TIME TO QUOTE MOVE

Clients who need to move staff and equipment from one Facility to another and require a quotation for various services including IT services to obtain internal financial approval to proceed with the move.

This Service Level Objective is a measurement of the % of requests received that are responded to, with a quote from IBM to the Client, within the measurement period. These requests are commonly known as R&R (Relocate and Refit R&R).

Project "Time to Quote Move" = TDB

PROJECT – TIME TO PROVIDE INITIAL QUOTE OTHER

This Service Level Objective is a measurement of the time to provide an initial estimate of cost and completion date for any non- (move) Project to in-scope services and technology, under $25,000 and where approved business requirements are available.

Project "Time to provide initial Quote other" = TDB

PROJECT – % COMPLETE ON TIME

This Service Level Objective is a measurement of the % of all Projects that are completed on or before the initial estimate.

Project "% completed on time" = TDB

PROJECT – % COMPLETED ON BUDGET

This Service Level Objective is a measurement of the % of all Project Service Requests that complete with a cost less than or equal to the initial estimate.

Project "% completed on budget" = TDB

PROJECT – % REQUIRING A CHANGE REQUEST

This Service Level Objective is a measurement of the % of all Project Service Requests that have an associated Project Change Requests. This would include a PCR that changes the completion date or the project costs.

Project "% requiring a Change Request" = TDB

POST TRANSFORMATION SERVICE LEVELS

This table outlines the Service Level Requirements and the Service Level Objectives intended to be met from and after the Interim Service Level Period.

Service Level Requirement	Target (<=)	Measure	Category	Weight
Speed to Answer	30 sec	75%	B	30%
Abandoned Call Rate	3 %	100%	C	10%
First Call Resolution Rate	First time	80%	B	30%
Time to Remedy - Urban	4 hrs	85%	B	20%
Time to Remedy - Rural	8 hrs	85%	B	20%
IMAC Coordination Completion	2 days	85%	C	15%
IMAC Execution Completion - Software	2 days	85%	B	20%
Order Placement	1 day	85%	C	10%
Software Patch Distribution	3 days	85%	B	20%
Security – Create New User	2 days	95%	C	20%
Security – Password Reset	1 hour	95%	C	10%
Security - Emergency Notification	30 minutes	99%	B	25%

Service Level Objectives	Target (<=)	Measure	N/A	N/A
Anti-virus 'Definition File' Distribution	TBD			
Customer Satisfaction	VS + S	85%		
Satisfaction Survey Sampling		3%		
Service Desk Response to Email	60 min	75%		
Service Desk Response to Voice mail	60 min	75%		
Notification of Incidents of Critical Status	TBD			
Time to Remedy - Remote	12 hrs	85%		
Time Onsite – High Priority - Urban	4 Hours	85%		
Hardware & Software Install – Urban	2 Days	85%		
Hardware & Software Install – Rural	4 Days	85%		
Hardware & Software Install – Remote	5 Days	85%		
Validated Order	TBD			
Technology Engineering Services – Response to Service Requests	5 Days	85%		
Self Help Services Availability	Avail Hrs	95%		
Inventory Accuracy	TBD			
Modify or Delete ID	1 Day	95%		
Transfer User to or from Client User Organization Group	3 Days	95%		
Project - Time to Quote Move	TBD			
Project – Time to Provide Initial Quote Other	TBD			
Projects – % Complete on Time	TBD			
Projects – % Completed on Budget	TBD			
Project – % Requiring a Change Request	TBD			

INTERIM SERVICE LEVELS PROGRESSION

Subject to the Province and IBM agreeing to the measurements and the creation of baselines, the following table shows the intended progressive improvements in Interim Service Level attainment from Commencement Date to the end of the Interim Service Level Period.

Transitional Service Level Targets	**Year 1 Avg (<=)**		**Year 2 Avg (<=)**	
Speed to Answer	90 sec	75%	60 sec	75%
Abandoned Call Rate	20%	100%	10%	100%
First Call Resolution Rate	First Time	>50%	First time	>65%
Time to Remedy - Urban	8 hrs	70%	6 hrs	80%
Time to Remedy - Rural	16 hrs	70%	12 hrs	80%
IMAC Coordination Completion	3 days	75%	3 days	85%
IMAC Execution Completion - Software	10 days	75%	3 days	85%
Order Placement	3 days	75%	2 days	80%
Software Patch Distribution	10 days	75%	5 days	80%
Security – Create New User	3 days	75%	3 days	80%
Security – Password Reset	60 min	75%	60 min	85%
Security - Emergency Notification	60 min	90%	45 min	95%
Anti-virus 'Definition File' Distribution	TBD		TBD	
Customer Satisfaction	Sat or V. Sat	70%	Sat or V. Sat	80%
Satisfaction Survey Sampling		3%		3%
Service Desk Response to Email	90 min	50%	75 min	75%
Service Desk Response to Voice mail	60 min	50%	60 min	75%
Notification of Incidents of Critical Status	TBD		TBD	
Time to Remedy - Remote	2 days	80%	2 days	85%
Time Onsite – High Priority - Urban	4 hrs	75%	4hrs	80%
Hardware & Software Install – Urban	10 days	75%	3 days	85%
Hardware & Software Install – Rural	15 days	75%	7 days	85%
Hardware & Software Install – Remote	Next Visit	75%	10 days	85%
Validated Order	TBD		TBD	
Technology Engineering Services – Response to Service Requests	10 Days	75%	7 days	80%
Self Help Services Availability	Avail Hrs	95%	Avail Hrs	95%
Inventory Accuracy				
Modify or Delete ID	2 days	85%	1 day	85%
Transfer User to or from Client User Organization Group	5 days	85%	4 days	85%
Project - Time to Quote Move	TBD		TBD	
Project – Time to Provide Initial Quote Other	TBD		TBD	
Projects – % Complete on Time	TBD		TBD	
Projects – % Completed on Budget	TBD		TBD	
Project – % Requiring a Change Request	TBD		TBD	

Schedule
E – Shared Infrastructure

This table describes the components of the Provinces Shared Infrastructure identified as those that are used by IBM in the delivery of the Services and identifies how they are treated under the terms of this Schedule. The costs within this table are estimated amounts for planning purposes. The actual charges for any items requiring a financial transaction between the Province and IBM are described within the Charges Schedule.

The following charges are annual estimated amounts unless noted otherwise.

Share Service Element	Commercial Arrangement	IBM pass thru costs to CITS	CITS retained cost
SPAN BC – IBM will lease data drops for connection of IBM's Services infrastructure to the Province's Shared Infrastructure.	X		
IBM will lease conditioned server room space at 4000 Seymour Data Centre under arrangement with BCBC.	X		
IBM will use office space at 4000 Seymour to enable IBM and CITS co-locate their respective management teams ($8,241 per year per workstation or office). This charge is specifically addressed in the License Agreement.		$41,205	
IBM will share components of the Province's s Desktop Terminal Services.		$75,000	
IBM will use Shared File Print services requiring IDIR ids.			$40,000
Up to 50 IBM personnel will use Province e-mail services for communications to and from the Province.			$10,000
IBM will use space and LAN connections in server rooms outside of Victoria or network wiring closets in Facilities outside of 4000 Seymour to host SMS servers or other service technology.		$83,160	
IBM will use of CITS 1-800 number for the SPOC Service Desk.			$2,000
IBM will use the Province's Remedy based			$132,000[1]

service desk application for logging calls during the Interim Services Period.			
IBM will use the Province's SMS 2.0 servers up to the end of the first refresh ($770 per server per month). This charge is specifically addressed in the License Agreement.		$462,000	
IBM's will use the Province systems for procurement of goods and services.			No estimate
IBM's will access the Provinces Microsoft Active Directory (IDIR) for retrieval of business information to perform the Services.			No estimate
IBM's use of Province Citrix licences and WTS licences: Commitment in WSS budget			No estimate
IBM use of the Province's Microsoft SMS Client Access Licenses (CALs) for providing the Services.			No estimate
IBM will use the Province's antivirus services for protection of IBM workstations and servers that are connected to the Province infrastructure.			No estimate
IBM may access some Client organization's help desk applications in the course of delivering the Services to assist Client Users with non Standard support.			No estimate
IBM may require access to Incident and Problem Management systems at the Ministry and at Client Ministries for end-to-end incident and problem management. None was identified as of the Effective Date of the Agreement.			No estimate

Note 1: This reflects for estimated cost for the Transition Period.

Schedule F – Charges

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1.0 Introduction

(a) The business principles for the Services charging methodology are as follows:

1. The Province will compensate IBM in exchange for providing the Services to the Province.

2. IBM will charge a monthly per seat fee for Supported Client Devices:

(i) The Supported Client Devices fees, once established for a Contract Year, will remain unchanged throughout the Contract Year to facilitate the Province's budgeting process.

(ii) The Parties agree to an annual price reset process to adjust prices based on the previous year's consumption of services and inflation. The first price reset takes effect April 2007,

(iii) The monthly per seat fees in this Schedule apply to a range of 26,800 to 30,800 Supported Client Devices. Prices will be adjusted if volumes are outside this range.

3. Other charges for services in this Agreement will be provided on a usage basis as described in this Schedule.

4. The Parties acknowledge that IBM planned profit is 18% cumulative gross profit margin over the Contract Term.

(b) This Schedule describes the methodology for calculating the charges for the Services. The Monthly Service Charge, ARCs, Economic Change Adjustment, Baseline Price Reset, and any other charge provisions set forth in this Agreement are intended in the aggregate to compensate IBM for providing the Services. In addition, this Schedule describes the measures of service utilization and the tracking of such usage.

(c) Included in this Schedule are the following Sections:

1. 2.0 Charges, Credits and Payments identifies the types of charges and credits that appear on the invoice, and the terms for charging for Hourly Services, New Services, and Projects.

2. 3.0 Economic Change Adjustment describes the methodology for calculating adjustments to prices due to general inflation in the economy.

3. 4.0 Service Units and Measurement Methodology identifies the chargeable service components and cost driver elements that will be measured and tracked for charging purposes or checked against financial assumptions.

4. 5.0 Additional and Reduced Service Units describes the methodology for calculating the charge or credit related to the consumption of a cost driver element outside the element's deadband.

5. 6.0 Baseline Price Reset describes the methodology for applying inflationary adjustments and accumulated ARCs and RRCs to future base seat prices. It also describes the methodology for adjusting base seat prices when IBM and the Province agree to change the baseline assumption for a cost driver.

6. 7.0 Seat Charges and Price Banding describes the approximate impact on seat prices at volumes outside the minimum and maximum volumes at which the Contract prices are applicable.

7. 8.0 Financial Assumptions

(d) Attached to this Schedule are the following:

1. Exhibit F-1 which lists the planned charges by Contract Year, Economic Change Adjustment, Baselines, Monthly Services Charges rates, ARC rates, RRC offsets, Hourly Services Rates, Termination Charge and other applicable rates; and

2. Exhibit F-2 (Tax Table) which lists the separate charge components of the Monthly Services Charge segregated on IBM's invoice to the Province according to each service tax category.

2.0 Charges, Credits and Payments

2.1 Generally

(a) The Province is financially responsible for all costs and expenses associated with its responsibilities in this Agreement. The Monthly Services Charges, ARCs and all other charges payable by the Province under this Agreement do not include such costs and expenses.

(b) All periodic charges will be computed on a calendar month basis and will be prorated for any partial month, unless this Agreement expressly states otherwise.

2.2 Charges

(a) Monthly Services Charge

1. IBM will invoice the Province each month of the Term in accordance with Section 12.2 of the Base Terms (Method of Payment) for the Monthly Services Charge, as adjusted for volumes.

2. The separate fixed charge components of the Monthly Services Charge will be segregated on IBM's invoice to the Province according to each corresponding Service as set out in the table attached as Exhibit F-2 of this schedule.

(b) Additional Service Unit (ARC) Charges

At this time the Parties acknowledge that all ARCs are incorporated in the Baseline Price Reset process, and there will be no ARC charges invoiced to the Province except at end of Term.

(c) Economic Change Adjustment

1. IBM will calculate the Economic Change Adjustment in accordance with Section 3.0 (Economic Change Adjustment).

2. The ECA charges due IBM for the Contract Year 2006, plus interest at the rate determined by the Province's Interest on Overdue Accounts Payable Regulation (B.C. Reg. 215/83) will be invoiced to the Province in each month of Contract Year 2007 in the form of 12 equal monthly payments.

3. Starting with Contract Year 2007, IBM will apply ECA to the rates for each Contract Year in accordance with the Baseline Reset process described in Section 6.0 (Baseline Reset Process).

(d) Application Inventory Charges

1. IBM will invoice the Province for IBM's performance of an application inventory and assessment for $1,192,650. The invoicing will be $23,150.00 per month for three months in Contract Year 2004/2005, and $28,800.00 per month for 39 more months.

2. Application inventory and assessment will be managed whereby each activity will be defined as a separate time and materials or fixed price project agreement which will contain at a minimum, a cost and effort estimate, a definition of deliverables, and authorization by the Province.

3. Any remaining funds can be directed to funding a portion of any application remediation work that the Province authorizes by separate project agreement.

(e) Payment for Space

1. IBM will invoice the Province monthly for certain building occupancy and facilities costs that are equal to the actual charges from the Province. Such charges will start on the Commencement Date and continue until IBM's use of the space or facilities is no longer required.

(i) There are two types of space and facility costs:

(A) building occupancy costs from the Province for each IBM and IBM Subcontractor personnel located in a Facility; and

(B) data centre facility costs from the Province for Supported SMS Servers located in the Regions.

2. The following table reflects the estimated building occupancy costs for IBM and IBM Subcontractors and data centre facilities costs for Supported SMS Servers and associated assumptions:

	Units	Rate	Effective Date	Estimated End Date
Building Occupancy				
Regional Staff	54	$8,241/year	Commencement Date	March 31, 2007
Swing Staff	120	$8,241/year	Commencement Date	6 months after Commencement Date
Joint Program Office	5	$8,241/year	April 1, 2005	End of Term
Data Centre Facilities				
SMS 2003 Regional Servers	9	$770/month	6 months after Commencement Date	End of Term

SMS 2.0/RIS Server Swing Facilities	50 (estimate)	$770/month	Commencement Date	24 months after Commencement Date, or earlier upon complete Refresh

3. The Province's Payment for Space charge to IBM and IBM's invoice back to the Province shall be adjusted to reflect the increased or decreased usage of Facility space and Province data centre facilities by IBM. Furthermore, the respective charges and invoices will reflect any change in the Province's rates for such Facility space and Province data centre facilities.

(f) Third Party Contracts

1. The following table identifies the existing Third Party Contracts for the services for which IBM will be responsible as of the Commencement Date. The assignment of contracts to IBM will be made effective January 1, 2005. For the Province's planning purposes, the table indicates the estimated costs of each contract for the period from January 1 to March 31, 2005.

Vendor	Client	Assigned to IBM
Microserve	Attorney General	Not Applicable
NexInnovation	Education	Yes
Compugen	Forests	Yes
Sonoma	Provincial Revenue	Yes
Syscom	Human Resources	Yes
EDS	Human Resources	Yes
RMI Financial	Office of the Premier	Yes

2. IBM will charge the Province for the services as follows:

January 1, 2005 to March 31, 2005	Actual costs plus 7.5% (estimated)	$938,206
	Project Management and Administration	$100,000
April 1, 2005 to July 31, 2005	Fixed Charge	$625,471
Total		$1,633,677

Based on the estimate of actual costs for January to March 2005, the charges to the Province by month are estimated as follows:

Month	Contract Actuals plus 7.5% service fee	Project Management and Administration	Fixed Charge	Total
January	$312,735 (estimate)	$34,000		$346,735 (estimate)

February	$312,735 (estimate)	$33,000		$345,735 (estimate)
March	$312,735 (estimate)	$33,000		$345,735 (estimate)
April			$156,368	$156,368
May			$156,368	$156,368
June			$156,368	$156,368
July			$156,368	$156,367
Total	$938,206 (estimate)	$100,000	$625,471	$1,663,677 (estimate)

(g) Termination Fees

1. If the Province terminates this Agreement early for its convenience, as set forth in Section 18.6 (Termination by Province for Convenience) of the MSA, the Province will pay IBM the following:

   (i) the Termination Charge set forth in Exhibit F-1;

   (ii) the unamortized transition and transformation costs as estimated in Exhibit F-1; and

   (iii) the charges outlined in the termination fee grid found in Schedule O (Note: the wind down cost component on line item 6 in the grid, separate from Termination and Transitioning Assistance, is not to exceed $100,000).

2. IBM will invoice the Province for the charges and the Province will pay IBM the charges in accordance with Section 12.2 of the MSA. The invoicing will be as follows:

   (i) Termination Charge - 30 days after IBM's receipt of the Termination Notice

   (ii) hardware, software, Third Party Contracts, wind down costs - 30 days after the Termination Date; and

   (iii) severance charges - within 60 days of the Termination Date.

3. Exhibit F-1 sets forth the Termination Charge applicable for a termination effective at the end of the sixth month, and at every 12 months thereafter. For termination in a month between these points, the Termination Charge will be prorated according to the following formula:

Termination Charge Proration Formula		
Termination Charge Proration Formula	=	[{(A-B) / 12 months} x C] + B
A	=	the Termination Charge for the point immediately before the month in which termination is effective.

Termination Charge Proration Formula		
B	=	the Termination Charge for the point immediately after the month in which termination is effective.
C	=	the number of months remaining after the month in which termination is effective up to and including the point immediately after the month in which termination is effective.

(h) Other Charges

1. IBM will invoice the Province for New Services, Client-requested projects, taxes, and any other agreed upon charges in accordance with the Agreement.

2.3 Credits

(a) Reduced Service Usage Credits (RRCs)

At this time the Parties acknowledge that all RRCs are incorporated in the Baseline Price Reset process, and there will be no RRC credits invoiced to the Province except at end of Term.

(b) Contract Prepayments and Refunds

1. Prepayments

(i) If IBM has prepaid any charges under a Third Party contract that are attributable to periods after the termination of this Agreement, the Province will pay such prepaid amounts to IBM prior to such expiration or termination. IBM will advise the Province of any prepaid charges for periods greater than one year or greater than $250,000. IBM will not obligate the Province by prepaying expenses for periods past Contract expiry.

2. Refunds

(i) If IBM receives any refund, credit, or other rebate for an Assigned Contract that is attributable to a period prior to the Commencement Date, IBM will promptly notify the Province of such refund, credit, or rebate and will promptly provide the Province with a credit for the amount of such refund, credit, or rebate.

(ii) If the Province receives any refund, credit, or other rebate for an Assigned Contract Contract that is attributable to periods on or after the Commencement Date, but before the expiration or termination of this Agreement, the Province will promptly notify IBM of such refund, credit, or rebate and will promptly pay to IBM the amount of such refund, credit, or rebate.

(c) MCFD Credit

Starting on the Commencement Date, IBM will extend Services pricing for workstations billed under the contract between Her Majesty the Queen in right of the Province of British Columbia, represented by the

Minister for Children and Family Development and IBM Canada Ltd., dated April 7, 1998, by providing a credit of $25 per seat to a maximum of $125,000 per month, prorated for partial months. The credit will be applied to the Monthly Services Charge Invoice each month up to and including March 31, 2005.

(d) Margin Sharing Credit

1. At the end of each Contract Year, the IBM Margin on the Project Office Summary Financial Information Report for BC Public Sector and the BC Broader Public Sector (BC BPS) will be reviewed with the Province. If the IBM Margin for either sector is greater than 18%, then a Margin Sharing Credit will be calculated based on the Cumulative Revenue on the Project Office Summary Financial Information Report as follows:

   (i) BC Public Sector (base clients)

   Margin Sharing Credit Public Sector = Cumulative Revenue x (IBM Margin - .18)

   (ii) BC Broader Public Sector

   Margin Sharing Credit BC BPS = Cumulative Revenue x (IBM Margin-.18) x .5

2. The Margin Sharing Credit will be applied to the invoice in accordance with Article 13 "Benefit Sharing and Growth".

(e) Service Level Credits

IBM will deduct from the Monthly Charges, the Service Level Credits in accordance with Article 6 of this Agreement.

(f) Other Credits

IBM will pay any amounts due and owing to the Province pursuant to this Agreement by either paying such amount to the Province or by providing the Province with a credit against IBM's invoice to the Province under this Agreement.

2.4 Payments

(a) The Province will pay IBM's invoices as set forth in this Schedule in accordance with Article 12, Subsection 12.3 of the Base Terms.

2.5 Hourly Services

(a) If the Province requests IBM to:

1. perform Project work;

2. provide resources for In-Flight Projects; or

3. provide additional Services on a time and material basis;

(Hourly Services), such Services will be provided by IBM as set forth in this Section.

(b) Hourly Services Fees

1. When IBM performs Hourly Services, the Province will pay IBM for IBM's actual hours expended in performing such Services at the agreed hourly rates (**Hourly Services Rates**), plus IBM's expenses incurred in providing such Hourly Services (**Hourly Services Expenses**) (collectively **Hourly Services Fees**).

2. Hourly Services Expenses will include:

(i) materials charges (such as products, parts, shipping costs, applicable taxes);

(ii) travel time from and to point of dispatch; provided IBM gives the Province advance notice if such expenses will apply, and the Province approves such expenses.

(iii) actual reasonable travel and living expenses, provided IBM gives the Province advance notice if such expenses will apply, and the Province approves such expenses. IBM will retain expense receipts.

3. Hourly Services Rates

(i) IBM will charge the Province for the actual number of hours expended by IBM, rounded to nearest half hour, plus overtime or premium rates, multiplied by the applicable Hourly Service Rates. Representative Hourly Services Rates are specified in Exhibit F-1. IBM will provide the exact hourly rate during the Project planning process or as such additional resources are required. IBM will provide the Province with advance notice if overtime or other premium rates (for example, for Holidays or because of scarce skills in the industry) apply for any Hourly Services, and obtain Province approval to perform the work at such rates.

4. IBM will invoice the Province for Hourly Services Fees monthly, for the Hourly Services performed in the month, or as otherwise set forth in this Schedule or a Project Plan.

2.6 New Service

(a) If the Province requests that IBM perform services

1. different from the Services; or

1.3 in addition to the Services, but for which there is no charging methodology or for which the existing charging methodology was not intended to cover,

(each a New Service), then the Parties will follow the Change Order Process.

(b) If the additional services are covered by an existing charging methodology and do not require, for example, start up expenses, the Province will pay the charges for such different or additional services through such charging methodology. Such additional services will be considered "Services" and will be subject to the provisions of this Agreement.

(c) Pricing for a New Service could be Hourly Services Fees, or a fixed price, or a monthly service charge, as mutually agreed by the Parties.

2.7 Projects

If the Province requests IBM to perform a New Service, which IBM and the Province agree should be a Project, IBM and the Province will develop a detailed plan describing the project (the **Project Plan**). The Project Plan will state IBM's charges for such Project, such as Hourly Services Fees, or a fixed price, or an adjustment to the charges set forth in this Agreement.

3.0 Economic Change Adjustment

(a) IBM will calculate an adjustment to all rates and other charges identified in Section 4.0 based upon economic inflation (an **Economic Change Adjustment** or **ECA**) as described below beginning April 2006. The ECA will be calculated on a prospective basis, for example, the actual inflation for the year from May 2005 to May 2006 will determine the ECA to be applied in April 2007. The ECA will be determined as soon as practicable after May of each year using the formula below (the **ECA Factor**).

(b) The Province and IBM agree to use the Canada Core Consumer Price Index determined by Statistics Canada and published by the Bank of Canada (www.bankofcanada.ca/en/cpi.htm) CANSIM identifier B3328 (Price Index), for purposes of determining actual inflation. In the event such Price Index is no longer published or its content and format is substantially changed, the Province and IBM will substitute another comparable index published at least annually by a mutually agreeable source. If Statistics Canada merely redefines the base year for the Price Index from 1992 to another year, the Province and IBM will continue to use the Price Index, but will convert the Base Year Index to the new base year by using an appropriate conversion formula.

(c) Actual Inflation

IBM will calculate the ECA by comparing the change in the year-to-year Price Index with the Price Index for the year of the Commencement Date (the Base Year Index). For each Contract Year of the Term, the actual Price Index for the year before the year for which the ECA is being calculated (Actual Inflation) will be compared to the Base Year Index in Exhibit F-1 (for example the 2005 Price Index will be used to determine the ECA starting in 2006). If Actual Inflation is equal to or less than the Base Year Index, then no ECA is due. If, however, Actual Inflation is greater than the Base Year Index, then IBM will apply the ECA to the Unit Prices and ARC rates for the year for which IBM is calculating the ECA.

(d) ECA Factor

Calculate the ECA Factor as follows:

ECA Factor		
ECA Factor	=	[(Actual Inflation - Base Year Index) / Base Year Index]
Actual Inflation	=	The Price Index for the May before the Contract Year for which the ECA is being calculated.
Base Year Index	=	The Price Index for the May before the Commencement Date.

(e) ECA Calculation

1. The example below calculates the ECA based on the following assumptions:

(i) a Commencement Date in 2004;

(ii) a Base Year Index of the Price Index for May 2004;

(iii) ECA applies to Unit Prices and ARC rates beginning April 2006; and

(iv) the following Actual Inflation examples:

ECA Calculation Example Actual Inflation Examples					
Base Year Index May 2004 = 124.2	**2005 May**	**2006 May**	**2007 May**	**2008 May**	**2009 May**
Actual Inflation	126.7	128.6	129.9	132.5	135.1

2. According to this example:

(i) there will be an ECA for Contract Years 2006 through 2010 because the Actual Inflation for the year preceding each year is greater than the Base Year Index. To determine the adjustment to the Full Client unit price and the Service Desk ARC rate, in addition to other rate adjustments, using this example, assume:

(A) the Full Client price for April 2008 is being calculated in July of 2007 based on the actual inflation measured in May 2007

(B) the Full Client unit price in April 2008 is 54.51

(C) the Service Desk ARC rate in April 2008 is 10.37 and

(D) the Service Desk RRC offset in April 2008 is 1.12

(ii) the calculation will be as follows:

ECA Calculation Example		
Adjusted Rate	=	Contract Rate x (1+ECA Factor)
ECA Factor	=	{(129.9 – 124.2)/124.2}
ECA Factor	=	5.7/124.2
ECA Factor	=	0.045653
Full Client Adjusted Price	=	$54.51 x1.045653
Full Client Adjusted Price	=	$57.00

Service Desk adjusted ARC rate	=	10.37 x1.045653
Service Desk adjusted ARC rate	=	$10.84
Service Desk adjusted RRC rate	=	10.84 – 1.012
Service Desk adjusted RRC rate	=	$9.72

(f) The rates that are subject to ECA are specified in Exhibit F-1 "Summary of Charges".

4.0 Service Usage and Measurement Methodology

4.1 Generally

(a) As of the Commencement Date and each month thereafter, IBM will measure, track and report on the Province's usage of Services in the categories set forth in this Section using the processes and procedures in the Process Interface Manual.

(b) As of the Commencement Date, the quantity of service consumed for each category of Services provided to the Province under this Agreement will be specified in Exhibit F-1 as a Baseline, and the aggregate of Monthly Services charges for each of the services in each Contract Year is projected in Exhibit F-1 as the Annual Services Charge.

4.2 Workstation Services

(a) Supported Client Devices

1. Service usage for this category will be measured as the number of Supported Client Devices operational at the Facilities (as recorded in the asset database IBM maintains, and measured according to the Process Interface Manual) during the applicable measurement period. The asset database that IBM maintains will be updated based on Supported Client Devices being deployed or decommissioned through the refresh projects and the IMAC process defined within the Process Interface Manual. The methodology for measuring Supported Client Devices from the Commencement through to the end of Stage 4 Transition is set forth in Section 7.0 (Seat Charges and Price Banding).

2. There are 2 classifications of Supported Client Devices, each having a separate Baseline and Monthly Service Charge rate. Such classifications reflect the differences in the allocation of shared or required infrastructure, equipment and software, maintenance and support costs, infrastructure design or Service Level commitments:

   (i) Full Client Device – a Supported Client Device that is a desktop or laptop which contains, at a minimum, a Standard Operating System, and Core Software

   (ii) Thin Client Device – a Supported Client Device that is an appliance device which contains a Standard Operating System to access the virtual office desktop terminal service, as defined in Desktop Terminal Services B-18

3. The Service Charge for each classification of Supported Client Devices during a given billing period shall be calculated by multiplying:

(i) the number of chargeable Service Units being consumed by the Province, its Affiliates and Province-Identified Third Parties, by;

(ii) the applicable Service Unit rate for such Service Unit set forth in Exhibit F-1, subject to the Economic Change Adjustment, Baseline Price Reset process, and minimum and maximum collars as specified Section 7.0 "Seat Charges and Price Banding".

4. The Monthly Services Charge for Supported Client Devices shall be calculated by totalling the Service Charges for each of the Service Units calculated in accordance with subsection 3 above.

5. A Supported Client Device will be considered operational:

(i) upon its Install to the Client Facility and addition to the asset inventory, or as IBM discovers it and notifies the Province, or as IBM is otherwise notified by the Province;

(ii) until IBM de-installs it as an IMAC event and returns it to the warehouse or as IBM is otherwise notified that it is a deinstalled unit; or

(iii) until it is classified as unserviceable in accordance with the Process Interface Manual.

6. One Supported Client Device equals one Service Unit.

7. The Supported Client Device Baseline set forth in Exhibit F-1 reflects the projected quantity of Supported Client Device Service Units and the aggregate bandwidths at which the Unit Prices are applicable.

(b) Install, Move, Add, and Change Services

1. Service usage for this category will be measured as the aggregate number of Install, Move, Add, and Change events IBM performs during the applicable measurement period. IMAC events are defined as follows:

(i) **Install** means:

the unpacking and connection of an existing system unit in the warehouse that is not listed as installed in the hardware asset inventory, including directly attached peripheral devices that are part of the Standard Configuration and, upon completion of such unpacking and connection, conducting the standard installation tests to verify that the hardware and Core Software as per Work Order are functional with network connectivity.

(ii) **Move** means:

(A) Disconnecting and moving - a currently installed system unit, including the directly attached peripheral devices, packing the equipment for movement from the current Client User's location at a Facility to the new

Client User location within the same Facility (or if not within the same Facility, as allowed on a case-by-case basis by the IMAC Coordination process), unpacking and reconnecting the same system unit and the directly attached peripheral devices and, upon completion of such activities, conducting the standard installation tests to verify the hardware and Core Software are functional as per Work Order with network connectivity.

(B) Disconnect only (de-install) - for those system units at a Facility that are being disconnected and which are not being reconnected at a new location, disconnecting a currently installed system unit, including the directly attached peripheral devices, and packaging the equipment for movement from the current Client User location to a designated warehouse for storage or staging area within the Facility for removal or disposal.

(iii) **Add** means, with respect to:

(A) hardware - installing an additional external device (such as an external modem, disk, printer scanner) and appropriate device driver to a currently installed system unit.

(B) software - installing an additional Standard Products software suite, or up to five software Standard Products, to a currently installed system unit, (via electronic distribution, CD or other method).

(iv) **Change** means, with respect to:

(A) hardware - performing a modification to an existing system unit such as a hardware upgrade (to add functionality) or a downgrade (to remove functionality) and, upon completion of such activity, conducting the standard installation tests to verify the hardware and software are functional with network connectivity.

(B) software - performing a modification to an existing software configuration according to specific documentation or instructions, such as customizing an installed application load and, upon completion of such activities, conducting the standard installation tests to verify that the hardware and software are functional with network connectivity.

2. The following table provides examples of how a request from a Client User gets counted for IMAC service usage.

Example	Activity	Event
1	Install new Supported Client Device (Replace existing Supported Client Device with brand new Supported Client Device)	1 MAC – Install/De-install
2	Deploy an existing standard locked Supported Client	1 MAC – Install

Example	Activity	Event
	Device to a new user from a central staging area	
3	Deploy an existing unlocked Supported Client Device to an existing user from a central staging area	1 MAC – Install/De-install
4	Load or set up a new print driver on an existing Supported Client Device	1 MAC – Software Change
5	Build an unlocked Supported Client Device with Core Software. Add unpackaged Non-Standard software in the central staging area. Install Supported Client Device as in Example 1.	1 MAC – Add software 1 MAC – Install/De-install
6	Re-Image an unlocked system at the user's desk at user request (not related to a hardware warranty incident)	1 MAC –Software Change
7	Central site build of a hard drive and change at user's desk to change Supported Client Device status from unlocked to locked	1 MAC – Hardware Change
8	Load up to 5 software package(s) from the Supported Software list (Includes LOB applications that have been packaged for ESD)	1 MAC – Add Software

3. There are 4 IMAC classifications, each having a separate Baseline, ARC rate and RRC offset. Such classifications reflect the differences in the costs and Service Level commitments:

   (i) Soft IMAC – an IMAC that can be completed via electronic distribution.

   (ii) Metro IMAC -an on-site IMAC that will be completed within an Urban location

   (iii) Rural IMAC -an on-site IMAC that will be completed within a Rural location

   (iv) Remote IMAC – an on-site IMAC that will be completed within a Remote location

4. The IMAC Baseline ratios set forth in Exhibit F-1 reflect the agreed quantity of IMAC events per Supported Client Device included in the Supported Client Device rates for each year of the term. Initially, there will be one Baseline, ARC rate, and RRC offset for aggregate Rural and Remote IMACs. During Transition, IBM will develop Baselines, ARC rates and RRC offsets for each of Rural and Remote IMACs

5. The IMAC Baseline in any period is calculated by multiplying the IMAC Baseline ratio by the actual number of total Supported Client Devices.

6. One IMAC equals one Service Unit.

7. ARCs apply to IMAC events above 5 percent of the IMAC Baselines. RRCs apply to IMAC events below 5 percent of the IMAC Baselines. The ARC rate for each Service

Unit will be adjusted for inflation in accordance with Section 3.0 "Economic Change Adjustment". The RRC rate for each Service Unit will be equal to the inflation-adjusted ARC rate less the RRC offset for the applicable classification. Travel and living expenses apply to some Remote IMACs and will be charged as actual Hourly Service Expenses when incurred, as described in Schedule B15 (Project Services).

8. IMAC ARCs and RRCs are subject to the Baseline Price Reset process in Section 6.0, unless otherwise agreed to by the Province and IBM.

9. IMAC refers only to the above activities and does not include hardware, software or other devices or functions necessary to implement an IMAC, site preparation, packing materials or transportation of the components to, within and between Facilities. The Province will be responsible for all of the foregoing.

10. IMAC requests that include more than nine concurrent IMAC events (i.e., IMACs to be performed during the same time period, within the same business unit or location) will be performed as a Project in accordance with Schedule B15 (Project Services).

11. Any activities associated with updating the asset data base records necessitated by problems caused by an IMAC activity discovered to be performed outside of the IMAC process (for example, relocation of a desktop from one Facility to another Facility by a Client User) will be considered an IMAC.

(c) Deskside Support

1. Service usage for this category will be measured as the aggregate number of deskside support events IBM performs during the applicable measurement period.

2. There are 4 classifications of Deskside Support events (each a "Deskside Support event"), each having a separate Baseline, ARC rate and RRC offset. Such classifications reflect the differences in the costs and Service Level commitments:

   (i) Deskside Advice - a software fix that can be completed over the phone.

   (ii) Metro Deskside Visit - an on-site hardware fix (excluding on-site warranty) or software fix that will be completed within an Urban location

   (iii) Rural Deskside Visit - an on-site hardware fix (excluding on-site warranty) or software fix that will be completed within a Rural location

   (iv) Remote Deskside Visit - an on-site hardware fix (excluding on-site warranty) or software fix that will be completed within a Remote location as described in Schedule L "Facilities".

3. The Deskside Support Baseline ratios set forth in Exhibit F-1 reflect the agreed quantity of Deskside Support events per Supported Client Device included in the Supported Client Device rates for each year of the term.

4. Initially, there will be one Baseline, ARC rate, and RRC offset for aggregate Rural and Remote Deskside Visits. During Transition, IBM will develop Baselines, ARC rates, and RRC offsets for each of Rural and Remote Deskside Visits.

5. The Deskside Support Baseline in any period is calculated by multiplying the Deskside Support Baseline ratio by the actual number of total Supported Client Devices.

6. One Deskside Support event equals one Service Unit.

7. ARCs apply to Deskside Support events above 5 percent of the Deskside Support Baselines. RRCs apply to Deskside Support events below 5 percent of the Deskside Support Baselines. The ARC rate for each Service Unit will be adjusted for inflation according to Section 3.0 "Economic Change Adjustment". The RRC rate for each Service Unit will be equal to the inflation-adjusted ARC rate less the RRC offset for the applicable classification.

8. Travel and living expenses will apply to some Remote Deskside Visits and will be charged as actual Hourly Service Expenses when incurred in accordance with Schedule B3 "Onsite Service Support".

9. Deskside Support event ARCs and RRCs are subject to the Baseline Price Reset process described in Section 6.0, unless otherwise agreed by the Province and IBM.

(d) Service Desk Usage

1. After the Interim Services Period, service usage for this category will be measured as the number of requests for services or assistance received by the Service Desk, electronically, or telephone (including electronic or voice entry where the Client User selects to speak to an agent or process an automated function); but excluding calls to the systems status recording (Calls), during the applicable measurement period. Calls include those calls referred to the Province personnel or its vendors, including IBM or its Affiliates.

2. Following the Interim Services Period, Service Desk Calls will be measured using the IBM Call monitoring system.

3. One Call equals one Service Unit.

4. The Service Desk Calls Baseline ratio in Exhibit F-1 reflects the agreed quantity of Service Desk Service Units per Supported Client Device included in the Supported Client Device rates for each year of the term.

5. The Service Desk Calls Baseline in any period is calculated by multiplying the Call Baseline ratio by the actual number of total Supported Client Devices.

6. ARCs apply to Service Desk service usage above 5 percent of the Calls Baseline. RRCs apply to Service Desk service usage below 5 percent of the Calls Baseline. The ARC rate for each Service Unit will be adjusted for inflation according to Section 3.0 "Economic Change Adjustment". The RRC rate will be equal to the inflation-adjusted ARC Rate less the RRC offset.

7. The Service Desk ARCs and RRCs are subject to the Baseline Price Reset process described in Section 6.0.

(e) Legacy Provincial Image Support

1. IBM and the Province acknowledge that IBM will retire Legacy Provincial Images in accordance with Schedule B-8 "Base Technology Engineering Services". In the event that a Client wishes to retain a Legacy Provincial Image after the completion of the initial hardware refresh within that Client, IBM will charge the Province for the support of the Legacy Provincial Image at the Monthly Service Charge rate set forth in Exhibit F-1. Invoicing for this monthly charge will start at the end of the initial refresh for that Client. IBM will waive this charge if the Client has a signed Project Services Plan with IBM by the end of the Client's refresh period that includes scope of work that will eliminate the Legacy Provincial Image within 6 months of the end of the Client's refresh.

(f) Enterprise Image Support

1. Service usage for this category will be measured as the number of Enterprise Images supported by IBM during the applicable measurement period. An Enterprise Image is a distinct image created for the Province, such that each image is distinguishable by the Operating System version, collection of unique device drivers, Core Software versions, and any necessary customization of parameters as described in Base Technology Engineering Services B-8. The Enterprise Image Baseline set forth in Exhibit F-1 reflects the agreed quantity of Enterprise Images included in each of the Supported Client Device rates for each year of the term.

2. At the Province's request, and using the Change Order Process, IBM will develop and support additional Enterprise Images. IBM will charge the Province a one-time charge for the development of the Enterprise Image, and a Monthly Service Charge for the support of the Enterprise Image. The rates are set forth in Exhibit F-1.

(g) Enterprise Image Releases

IBM will provide Enterprise Image Releases to the Province for each year of the Term in the quantities set forth in the Enterprise Image Releases Baseline in Exhibit F-1. The Baseline reflects the number of releases per year that is applied against the existing Enterprise Images, which is distinguished by the number of Operating System versions multiplied by the frequency of releases and any special updates. For greater clarity, one service pack release per year is included in the frequency of releases while product version changes that fall outside of the regular Refresh schedule are not included. The Province's request for additional Enterprise Image Releases will be considered a New Service.

(h) DTS Infrastructure Users

1. Service usage for this category will be measured as the number of Client Users that have access to the virtual office desktop terminal service that are not registered as thin client users of the desktop terminal services, as defined in Desktop Terminal Services B-18 during the applicable measurement period and counted according to the Process Interface Manual.

2. The Monthly Services Charge for this Service Unit shall be calculated by multiplying the aggregate number of DTS users by the DTS Adder set forth in Exhibit F-1.

3. Exhibit F-1 sets out the projected volume of DTS Infrastructure Users each Contract Year of the Term; provided, however that IBM will provide the Services at any level of usage required by the Province.

(i) Roaming Profile Users

1. Service usage for this category will be measured as the number of roaming Client Users that are configured with Microsoft Windows XP Roaming Profiles within the Microsoft Active Directory, as described in Schedule B-17 "Special Assembly". These charges will be effective upon completion of the initial hardware refresh for each Client User.

2. The Monthly Services Charge for this Service Unit shall be calculated by multiplying the number of Roaming Profile Users by the rate set forth in Exhibit F-1.

(j) Unmanaged Workstations

1. The Full Client Device rate, Baselines, and ARC rates are based on the assumption that Unmanaged Workstations as defined in Schedule B-17 "Unmanaged Workstations", constitute no more than 20% of the Full Client Devices (**Unmanaged Workstation Assumption**). Following the initial refresh, IBM will measure the number of Unmanaged Workstations to determine whether the actual numbers remain consistent with or lower than the assumption.

2. In the event the Province's actual Unmanaged Workstations exceeds the Unmanaged Workstation Assumption for three months, then during the next 60 days IBM and the Province will mutually develop and implement a plan to either adjust the actual Unmanaged Workstations back to the Unmanaged Workstation Assumption, or adjust the Full Client Device rate, Baselines, and associated ARC rates and RRC offsets. Before implementing any adjustments to the Full Client Device rate, Baselines, and the associated ARC rates and RRC offsets, the Province and IBM will discuss the rationale for and the methodology used in determining such adjustments.

(k) VIP Support Services

1. IBM will provide VIP Support for BC government staff designated by the Province as VIPs in order to receive an enhanced level of service. The Supported Client Device rates are based on the number of VIPs calculated according the following formula, each generating an average of 6 incidents per year:

   Supported VIPs = 1% of Supported Client Devices + 10 VIPs per Client ministry + 50 other VIPs.

2. The Province's request for an adjustment to the VIP Support Baselines shall be handled as a Change Order.

(l) Home Support Services

1. Service usage for this category will be measured as the number of Home Support Events recorded by IBM during the applicable measurement period in accordance with the Process Interface Manual.

2. The Monthly Services Charge for this Service Unit during a given billing period shall be calculated by multiplying the aggregate number of Home Support events by the Home Support Unit Price set forth in Exhibit F-1.

3. The Home Support Event rate is subject to Economic Change Adjustment in accordance with Section 3.0 (Economic Change Adjustment).

4.3 Exchange and IDIR Administration Services

1. Service usage for this category will be measured as the number of users of Exchange and IDIR Administration who are not users of Supported Client Devices as recorded by IBM during the applicable measurement period in accordance with the Process Interface Manual.

2. The Monthly Services Charge for this Service Unit during a given billing period shall be calculated by multiplying the number of Exchange and IDIR Administration Users by the Exchange and IDIR Administration rate set forth in Exhibit F-1.

3. The Exchange and IDIR Administration rate is subject to any Economic Change Adjustment in accordance with Section 3.0 (Economic Change Adjustment).

4. Exhibit F-1 sets out the projected volume of Exchange and IDIR Administration Service Units each Contract Year of the Term; provided, however that IBM will provide the Services at any level of usage required by the Province.

4.4 Hardware Deployment Service

1. Service usage for this category will be measured as the number of new Supported Client Devices deployed in accordance Schedule B-12 "Deployment Services" and counted in accordance with the Process Interface Manual.

2. There are three classifications of Hardware Deployment depending on the type of Supported Client Device installed:

   (i) Full Client Device desktop

   (ii) Full Client Device laptop; and

   (iii) Thin Client Device

3. The charge for each classification of Hardware Deployment is set forth in Exhibit F-1. The Service Charge for each device, plus Hourly Service Expenses for certain Remote locations as specified in Schedule L "Facilities", will be invoiced to the Province along with the purchase of the device from IBM.

4. The Hardware Deployment charge rates will be quoted to the Province at the end of each Contract Year, commencing April 2007. Economic Change Adjustment does not apply to Hardware Deployment charge rates.

4.5 Planning Estimate of Forecasted Projects

The table below represents the reasonable estimated Charges for Project Services that will be incurred by the Province and performed by IBM. Each Project will be approved by the Province or the Client Organization, as applicable, on a case-by-case basis. This is not intended to be a commitment of revenues to IBM, but instead is intended to be used as information for planning by the Parties. These planning estimates will be reviewed and revised each year in conjunction with the Baseline Price Reset process for Province budgeting purposes and IBM resource planning purposes.

Project Category	FY04/05	FY05/06
In Scope WSS	$1,500,000	$6,200,000
Client Initiated	$250,000	$3,800,000

Planned expenditures will not exceed, in their aggregate, $15,000,000 dollars for the year ending March 31, 2006.

5.0 Additional or Reduced Service Usage

The Province's increased or decreased usage of Services within a Service category may result in either an ARC or RRC. ARCs and RRCs will be applied to the calculation of a Baseline Price Reset according to subsection 6.0 of this Section, or charged end of Term.

After the completion of each month during the Term, following the first month after the Commencement Date, IBM will calculate ARCs and RRCs as set forth in this Section.

(a) Calculation of ARCs for Service categories with an ARC Deadband

For the Province's usage of Service categories with an ARC Deadband within IMACs, Deskside Support events, and Service Desk, IBM will calculate ARCs as set forth in this Section.

1. IBM will compare the quantity of Actual Service Units (SUs) used during the applicable measurement period with the product of the Baseline multiplied by the sum of 1.00 plus the ARC Deadband (the **ARC Deadband Baseline**) for that category. The ARC Deadbands are set forth in the ARC and RRC Summary Chart below. There will be no increase of charges otherwise payable to IBM for such period if the Actual SUs do not exceed the ARC Deadband Baseline for such period. If the Actual SUs exceed the ARC Deadband Baseline for that category for such period, IBM will include the ARC charge in the calculation of the next Baseline Price Reset (or, if no future calculation will be made, the Province will make payment to IBM) equal to the product of the ARC rate for the applicable category, as set forth in Exhibit F-1, multiplied by the difference between the Actual SUs for that category and the ARC Deadband Baseline for that category.

2. For example, assuming the following, the ARC calculation would be as follows:

(i) the Actual SUs for Service Desk Calls for a month are 31,000 Calls

(ii) the Service Desk Baseline ratio is 0.94 call/client/month

(iii) the actual number of Supported Client Devices is 27,000 full clients and 3,000 thin clients, for a total of 30,000 Supported Client Devices

(iv) the Service Desk Baseline is 30,000 calls per month (30,000 x 0.94)

(v) the ARC Deadband is five percent, and

(vi) the Service Desk ARC rate is $10.84 per call

ARC Calculation		
ARC	=	[{Actual SUs - (Baseline x (1.00 + ARC Deadband))} x ARC Rate]
ARC	=	(Actual SUs - ARC Deadband Baseline) x ARC Rate
ARC	=	[{31,000 - (30,000 x .94) x (1.00 + .05))} x $10.84]
ARC	=	(31,000 – 28,200*(1.05)) x {$10.84}
ARC	=	(31,000 – 29,610) x {$10.84}
ARC	=	1,390 x {$10.84}
ARC	=	$15,072.36

3. In this example, the ARCs for Calls for the month would be $15,072.36.

(b) Calculation of ARCs for Service categories without an ARC Deadband

IBM and the Province acknowledge that there are no ARCs in Service categories without an ARC Deadband. The following calculation and example are provided for illustration only.

1. IBM will compare the quantity of SUs actually used during the applicable measurement period (the **Actual SUs**), with the Baseline for that category. There will be no increase of the charges otherwise payable to IBM for such period if the Actual SUs do not exceed the Baseline for such period. If the Actual SUs exceeds the Baseline for such period, the Province will pay IBM an ARC with the current or future charges (or, if no future charges will be due, make payment to IBM) equal to the product of the ARC rate for the applicable category, as set forth in Exhibit F-1, multiplied by the difference between the Actual SUs for that category and the Baseline. For example, assuming the following, the ARC calculation would be as follows:

(i) the Actual SUs for Example Service for a month is 14 units,

(ii) the Example Service Baseline is 12 units, and

(iii) the ARC rate is $100.00 per unit.

ARC Calculation		
ARC	=	(Actual SUs - Baseline) x ARC Rate
ARC	=	(14 – 12) x $100.00
ARC	=	2 x $100.00
ARC	=	$200.00

2. In this example, the ARC for Example Service for the month would be $200.00.

(c) Calculation of RRCs for Service categories with an RRC Deadband

For the Province's usage of Service categories with a RRC Deadband within the Service Desk, Deskside Support, and IMACs, IBM will calculate RRCs as set forth in this Section.

1. IBM will compare the quantity of Actual SUs with the product of the Baseline multiplied by the difference of 1.00 minus the RRC Deadband (the RRC Deadband Baseline) for that category. The RRC Deadbands are set forth in the ARC and RRC Summary Chart below. There will be no reduction of the charges otherwise payable to IBM for such period if the Actual SUs is equal to or greater than the RRC Deadband Baseline for such period. If the Actual SUs is less than the RRC Deadband Baseline for that category for such period, IBM will include the RRC in the calculation of the next Baseline Price Reset (or, if no future calculation will be made, make payment to the Province) equal to the product of the RRC rate (ARC rate minus RRC offset) for the applicable category, as set forth in Exhibit F-1, multiplied by the difference between the Actual SUs for the category and the RRC Deadband Baseline for that category.

2. For example, assuming the following, the RRC calculation would be as follows:

   (i) the Soft IMAC Actual SUs for a month are 380 IMACs,

   (ii) the Soft IMAC Baseline ratio is .17 IMACs/client/year

   (iii) the actual number of Supported Client Devices is 27,000 full clients and 3,000 thin clients, for a total of 30,000 Supported Client Devices

   (iv) the Soft IMAC Baseline is calculated as 425 IMACs per month (30,000 * .17 / 12)

   (v) the RRC Deadband is five percent, and

   (vi) the Soft IMAC ARC rate is $60.65 per IMAC event

   (vii) the Soft IMAC RRC offset is $6.50 per IMAC event

RRC Calculation		
RRC	=	[{(Baseline x (1.00 - RRC Deadband)) - Actual SUs} x (ARC Rate - RRC Offset)]
RRC	=	(RRC Deadband Baseline - Actual SUs) x RRC Rate
RRC	=	[{(425 x (1.00 - .05)) - 380} x ($60.65 - $6.50)]
RRC	=	(404 - 380) x $54.15
RRC	=	23.75 x $54.15
RRC	=	$1,286.01

3. In this example, the RRC for Soft IMACs for the month would be $1,286.01

(d) The following ARC and RRC Summary Chart summarizes the factors used for calculating ARCs and RRCs for Customer Service Center Services, Deskside Visits, IMACs, and Image Support.

ARC and RRC Summary Chart					
Service Category	**ARCs Applicable**	**ARC Deadband %**	**RRCs Applicable**	**RRC Deadband %**	**ARCs, RRCs Applicable**
Customer Service Centre Services					
- Calls	yes	5%	yes	5%	**After ISP**
IMACs					
- Soft IMACs	yes	5%	yes	5%	**C.D.**
- Metro IMACs	yes	5%	yes	5%	**C.D.**
- Rural IMACs	yes	5%	yes	5%	**C.D.**
- Remote IMACs	yes	5%	yes	5%	**C.D.**
Deskside Visits					
- Deskside Advice	yes	5%	yes	5%	**C.D.**
- Deskside Metro Visits	yes	5%	yes	5%	**C.D.**
- Deskside Rural Visits	yes	5%	yes	5%	**C.D.**
- Deskside Remote Visits	yes	5%	yes	5%	**C.D.**

ARC and RRC Summary Chart					
Service Category	**ARCs Applicable**	**ARC Deadband %**	**RRCs Applicable**	**RRC Deadband %**	**ARCs, RRCs Applicable**
Key: N/A = Not Applicable C.D. = Commencement Date After ISP = First month following the Interim Services Period					

6.0 Baseline Price Reset

6.1 Introduction

Starting in June of 2006 and completing by end of July 2006, and repeating each June to July thereafter, IBM will calculate the adjustments to the rates and Baselines that will be applicable in the next Contract Year (**Baseline Price Reset**). The adjustments shall be applied in the following order:

1. Economic Change Adjustment is applied to all rates subject to ECA in accordance with ARC and RRC charges of the previous 12 months, if any, are aggregated and applied to the Supported Client Device rates as described below in Section 6.2

2. Baseline adjustments, if any, are applied to the Baselines and the associated change in charges are aggregated and applied to the Supported Client Device rates as described below in Section 6.3

6.2 ARC and RRC Charge Adjustment

IBM will adjust the Supported Client Device rates with the Province's actual consumption of ARCs and RRCs according to the methodology described below.

(a) In accordance with Section 5.0 (Additional Reduced Service Usage) IBM will calculate the monthly ARCs and RRCs for each service category for each of the previous 12 months using the ARC rates and RRC rates adjusted by the ECA applicable for the respective contract years.

(b) The sum total of ARC and RRC charges for the 12 month period will be applied equitably to the reset of the Full Client Device and Thin Client Device rates for the next Contract Year using the following methodology:

1. IBM and the Province will establish the planned volume of Supported Client Devices for the next Contract Year.

2. IBM will calculate ECA-adjusted rates for the Full Client Device and Thin Client Device, by applying the Economic Change Adjustment methodology, which is described in Section 3, as applicable.

3. The ARC and RRC charge adjustment is the total ARC and RRC charges divided by the planned volume of Supported Client Devices and divided by 12 months.

4. ARC and RRC Charge adjustment = (Total 12 month ARC and RRC charges) / (planned volume) / 12 months

5. The adjusted rates for the Full Client Device and Thin Client Device will be the sum of the ECA-adjusted rate for the respective service plus the ARC and RRC charge adjustment.

   Adjusted service unit price = (ECA-adjusted service unit price) + (ARC and RRC charge adjustment)

(c) ARC and RRC Charge Adjustment Calculation

1. The example below calculates the adjusted rates for an ARC and RRC charge adjustment, based on the following assumptions:

   (i) The ECA-adjusted rates for the 2010/2011 Contract Year is $51.83 for Full Client Devices and $45.99 for Thin Client Devices

   (ii) The planned volume for the 2010/2011 Contract Year is 30,000 Supported Client Devices and

   (iii) The total Service Desk, IMAC, and Deskside Support ARC and RRC charges for the 12 months previous to July 2009 are $100,000.00

ARC and RRC Charge Adjustment Calculation		
Total Annual ARC and RRC Charge	=	$350,000.00
ARC and RRC Rate Adjustment	=	$350,000 / 30,000 / 12
ARC and RRC Rate Adjustment	=	$0.97
Full Client Device Adjusted Unit Rate	=	$51.83 + $0.97
Full Client Device Adjusted Unit Rate	=	$52.80
Thin Client Device Adjusted Unit Rate	=	$45.99 + $0.97
Thin Client Device Adjusted Unit Rate	=	$46.96

2. In this example, the applicable rates for the 2010 Contract Year is $52.80 for Full Client Device and $46.96 for Thin Client Device.

6.3 Baseline Adjustment

If IBM and the Province agree that a baseline for Service Desk, IMACs, or Deskside Support should be adjusted either up or down for the next Contract Year, the methodology for resetting the Full Client Device and Thin Client Device rates will be as follows:

(a) IBM will compare the agreed to adjusted baseline with the existing contract baseline for the next Contract Year.

(b) The baseline change will be calculated as the difference between the agreed to adjusted baseline and the existing contract baseline.

Baseline change = [(adjusted baseline) – (contract baseline)]

(c) The baseline adjustment rate will be an increase or a reduction depending on whether the baseline change is greater than zero or less than zero respectively.

If the baseline change is greater than zero, then the baseline adjustment rate is equal to the baseline change multiplied by the ECA-adjusted ARC rate:

Baseline adjustment rate = (baseline change) x (ECA-adjusted ARC rate)

If the baseline change is less than zero, then there will be a baseline adjustment change equal to the baseline change multiplied by the ECA-adjusted RRC rate.

Baseline adjustment rate = (baseline change) x (ECA-adjusted RRC rate)

(d) The baseline adjustment rate will be applied to the ECA-adjusted Full Client Device and Thin Client Device rates, either equally or by some other reasonable method agreed to by IBM and the Province.

(e) The example below calculates the adjusted rates for a Baseline adjustment, based on the following assumptions:

1. The Supported Client Device rates for Contract Year 2010, after adjusting for ECA and ARC and RRC charges as described in Section 6.2, is $52.80 for the Full Client Device and $46.96 for the Thin Client Device

2. IBM and the Province agree to change the Baseline for Service Desk from .86 to .75 calls per user per month and

3. The ECA-adjusted RRC rate for Service Desk in Contract Year 2010 is $9.38 per call

Baseline Adjustment Calculation		
Baseline Change	=	[(adjusted baseline) – (contract baseline)]
Baseline Change	=	.75 - .86
Baseline Change	=	-.11
Baseline Adjustment rate	=	(baseline change) x (ECA-adjusted RRC rate)

Baseline Adjustment Calculation		
Baseline Adjustment rate	=	-.11 x $9.38
Baseline Adjustment rate	=	-$1.03
Adjusted Full Client Device rate	=	$52.80 - $1.03
Adjusted Full Client Device rate	=	$51.77
Adjusted Thin Client Device rate	=	$46.96 - $1.03
Adjusted Thin Client Device rate	=	$45.93

7.0 Seat Charges and Price Banding

(a) Seat Charging Methodology

1. This section sets out the process and approach to determine the quantity of Supported Client Devices to which seat charges will apply. In addition this section describes how the Province and IBM have agreed to amend the quantity of Supported Client Devices during and to the end of the first hardware refresh period.

   The Province and IBM have agreed that the charges for Supported Client Devices (seats) will be determined as follows;

   (i) Chargeable Seats

   A chargeable seat will be a Supported Client Device that is registered in the asset inventory database as 'installed'. This means the Supported Client Device has been deployed from the asset warehouse and has a record of information that the device was installed at a Facility. Devices that are recorded as not installed such as those in the warehouse are not subject to the seat charges. The inventory will be adjusted to reflect the 'installed' status of Supported Client Devices during each month to account for changes that are the result of IMAC, hardware refresh, or other Project Services activities.

   (ii) Effective Date of Seat Charges

   When a new or redeployed Supported Client Device is installed, the seat charges will begin at the beginning of the month following the month in which it was installed.

   (iii) Ending Date of Seat Charges

   When a Supported Client Device is de-installed, the status of the Supported Client Workstation will be changed within the asset inventory database to a status other than 'installed'. The charges for the seat will be discontinued at the end of the month that the seat is de-installed.

   (iv) Unused Client Devices

Supported Client Devices that are in 'installed' status in the asset inventory database will continue to be subject to the seat charges until the device status is changed to a status other than 'installed'. The status can only be changed by the decommissioning of the machine or replacement of the machine as a result of a refresh, IMAC, or Project that causes the machine to be returned to the asset warehouse. Exceptions to this must be agreed to by IBM and the Province.

2. Timing of Monthly Seat Count

The number of seats to be charged for each month will be de determined on the nearest Business Day to the 27th of the month for the purposes of creating the monthly invoice for seats. The invoice will detail the active seats by desktop, laptop, and thin client. Backup documentation to substantiate invoice detail will be provided for each Client organization.

3. Interim Seat Count for Charges

(i) Starting on the Commencement Date, the seat count will be the planning number of seats advised to IBM during the JSD Phase of the JSRFP. This planning number is 28,800 seats and has been validated by the Parties during due diligence as being accurate to the best of our shared and collective knowledge. It is considered to be an accurate and reliable planning number that will serve as the basis for determining the interim seat quantities. These planning numbers will be called the Interim Seat Counts. The total Interim Seat Count will be 23,150 for FY04/05 and 28,800 for FY05/06 and FY06/07 and are distributed across the Client organizations as set out in the table below.

(ii) IBM will invoice the Province for the seat charges based on the Interim Seat Counts as set out below for each Client organization until the identified Client organization has completed their respective workstation refresh as part of the Stage 4 Transition. Immediately upon completion of the refresh for each Client organization, the seat counts will be adjusted to the actual count of Supported Client Devices for that Client organization and future charges will be based on the actual number of 'installed' Supported Client Devices. The actual quantity will apply to the next invoice issued after the end of the refresh.

(iii) After Stage 4 is completed the Province will be invoiced monthly for the actual Supported Client Devices that are 'installed' in the asset inventory data base across all Client organizations.

Interim Seat Counts For Billing Purposes			
Client organization	**FY04/05**	**FY05/06**	**FY06/07**
Attorney General, Public Safety and Solicitor General	6150	6150	6150
Agriculture, Food and Fisheries	350	400	400

Interim Seat Counts For Billing Purposes			
Community, Aboriginal and Women's Services	550	600	600
Education, Advanced Education, and Skills Development	900	910	910
Finance	530	800	800
Forests	3200	3300	3300
Health Services	1500	1600	1600
Children and Family Development	0	4500	4500
Human Resources	3000	3000	3000
Management Services	1305	1540	1540
Office of the Premier	200	200	200
Public Affairs Bureau	200	200	200
Public Service Agency	500	500	500
Provincial Revenue	1100	1100	1100
Small Business and Economic Development, Energy and Mines	400	500	500
Sustainable Resource Management	1000	1100	1100
Transportation	1100	1135	1135
Water, Land and Air Protection	1000	1100	1100
BPS – BC Utilities Commission	40	40	40
BPS – Oil and Gas Commission	25	25	25
BPS – Tourism BC	100	100	100
Total	**23150**	**28800**	**28800**

By Device Type	**FY04/05**	**FY05/06**	**FY06/07**
Number of Thin Clients	617	2500	4200
Number of Full Clients	22,533	26300	24600

(b) Price Banding

1. IBM and the Province understand that the volume of Supported Client Devices provided under this Agreement may vary outside the minimum and maximum range at which the prices set forth in Exhibit F-1 are applicable, and the growth in the volume is likely to come from the Broader Public Sector.

2. If the number of Supported Client Devices falls below 26,800 or above 30,800, IBM and the Province will establish a new Baseline and IBM will adjust the Supported Client Device prices and the minimum and maximum collars in which the new prices are effective. The following table contains an estimation of the factors by which the prices will change for three examples where the baselines fall below 26,800.

Supported Client Device Price Representative Factors at Volumes <26,800											
Supported Client Devices	**Year 1 FY04/05**	**Year 2 FY05/06**	**Year 3 FY06/07**	**Year 4 FY07/08**	**Year 5 FY08/09**	**Year 6 FY09/10**	**Year 7 FY10/11**	**Year 8 FY11/12**	**Year 9 FY12/13**	**Year 10 FY13/14**	**Year 11 FY14/15**
25,000	n/a	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06
22,000	n/a	1.25	1.25	1.25	1.20	1.14	1.14	1.14	1.14	1.14	1.14
18,000	n/a	1.53	1.53	1.53	1.41	1.30	1.30	1.30	1.30	1.30	1.30

These estimates are provided for the Province's planning purposes. The actual price adjustments will be subject to accumulated price changes applied in the Baseline Price Reset process and other changes, if any, in the Services and Service Levels agreed on with Province.

3. If the growth in volume is from the Broader Public Sector such that:

(i) the Services are substantially similar,

(ii) the Services are procured under or in conjunction with this Agreement with a minimal tendering process,

(iii) IBM will deliver the Services leveraging the existing processes and infrastructure, and

(iv) the Province's existing volume is already at or above 30,800 Supported Client Devices,

then IBM will adjust the prices in conjunction with the following table. The table contains an estimation of the factors by which Supported Client Device prices will change for four examples of aggregated Province and Broader Public Sector volumes. These examples are provided for the Province's planning purposes. Transition and any other new investments are excluded from these factors.

Supported Client Device Price Representative Factors at Volumes >30,800											
Supported Client Devices	**Year 1 FY04/05**	**Year 2 FY05/06**	**Year 3 FY06/07**	**Year 4 FY07/08**	**Year 5 FY08/09**	**Year 6 FY09/10**	**Year 7 FY10/11**	**Year 8 FY11/12**	**Year 9 FY12/13**	**Year 10 FY13/14**	**Year 11 FY14/15**
35,000	n/a	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95
40,000	n/a	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92
50,000	n/a	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88
60,000	n/a	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85

The actual price adjustments will be subject to the accumulated price changes applied in the Baseline Price Reset process, and the actual scope of services, service levels, cost savings, actual

tendering process experienced, labour solution, and customer demographics in the solution for the Broader Public Sector.

8.0 Financial Assumptions

(a) Prices exclude goods and services taxes and applicable sales taxes.

(b) IBM will provide the Services to the Province during the Service Hours.

(c) If the Province requests IBM to perform any of the following and IBM agrees to do so, IBM will provide such Services as Hourly Services, a Project, or will consider such request a New Service:

(i) Services or support outside of the Service Hours, except where explicitly identified in the Agreement; and

(ii) Support for hardware or software not included within the Services.

(d) All Services will be provided in the English language unless otherwise stated in this Agreement.

(e) If IBM arrives at a Facility to perform a scheduled or agreed on-site Service, but is unable to perform the Service because of the Province's action or inaction, the visit by IBM acting reasonably will be counted and/or charged as a Service Unit in accordance with this Schedule.

(f) Based on data provided by the Province, IBM has assumed that of the initial call volume (which includes password resets), 40% are Line of Business Application calls and 60% are IT-related.

(g) For any Service that generates a call record, the information contained in the call record will be used to calculate actual service usage within such Service category. Each call record will be counted only once in accordance with the Service status code assigned to the call record.

(h) The Province retains financial responsibility for providing all Supported Client Devices, servers, and network hardware and software, including any additions, replacements and upgrades, and for providing and maintaining network connectivity (including sufficient bandwidth and all cabling and wiring) required by the Province to support its operations. In addition, the Province retains financial responsibility for providing sufficient system capacity, device capacity, network bandwidth, and network connectivity to support the Tools and enable IBM to provide the Services in accordance with the Service Levels. Prior to implementation of Service Levels, IBM Tool designs and their various capacity requirements will be confirmed by IBM. Where actual capacity differs from the Province's stated available capacity, the Province and IBM will work to mitigate any costs to address the under capacity. Thereafter, the required capacity for IBM Tools will be jointly monitored for regular usage and planned regularly for future requirements. Unscheduled changes to capacity that interrupt IBM Tool function will be reviewed and addressed according to provisions in this Agreement.

(i) Any Standard Product that has been modified with a Nonstandard Product will be deemed a Nonstandard Product overall for purposes of providing the Services and applicable charges will be determined.

(j) On or before the Commencement Date the Province provides the Required Consents or approvals required to give IBM and IBM Subcontractors the right to use, execute, reproduce, or display the Remedy software in the provision of the Services under this Agreement.

(k) The Province will make available for use the Province workstations that the Transferred Employees were using prior to the Commencement Date, for a period not to exceed six months, unless otherwise agreed to.

Exhibit F-1

All items listed on this Exhibit F-1 are expressed in Canadian dollars otherwise specified in this Agreement. All years are Government fiscal years beginning on April 1 at 00:01 hours Pacific Time and ending on March 31 at 24:00 hours Pacific time, except for the first year, which is from the Commencement Date through and including March 2005. The charges for a partial month shall be prorated.

Commencement Date: December 6, 2004

Expiration Date: March 31, 2015

Projected Annual Charges and ECA											
	Year 1 FY04/05 Jan-Mar	**Year 2 FY05/06**	**Year 3 FY06/07**	**Year 4 FY07/08**	**Year 5 FY08/09**	**Year 6 FY09/10**	**Year 7 FY10/11**	**Year 8 FY11/12**	**Year 9 FY12/13**	**Year 10 FY13/14**	**Year 11 FY14/15**
Annual Charges ($ in millions)											
Supported Client Devices	4.839	22.642	21.349	19.043	17.562	16.295	15.190	14.170	13.224	12.337	12.062
Application Inventory & Assessment	0.069	0.346	0.346	0.346	0.086						
Total	4.908	22.988	21.695	19.389	17.648	16.295	15.190	14.170	13.224	12.337	12.062
ECA **Base Year = May 2004** **Base Year Index = 124.2**											

Termination Charge										
At End of Month	**Month 6**	**Month 18**	**Month 30**	**Month 42**	**Month 54**	**Month 66**	**Month 78**	**Month 90**	**Month 102**	**Month 114**
Early Termination Fee ($ in millions)	4.081	4.081	3.506	1.908	1.565	1.350	1.073	0.797	0.522	0.236
Unamortized Transition/Transformation ($ in millions)	6.326	3.266								

Baselines											
	Year 1 FY04/05	**Year 2 FY05/06**	**Year 3 FY06/07**	**Year 4 FY07/08**	**Year 5 FY08/09**	**Year 6 FY09/10**	**Year 7 FY10/11**	**Year 8 FY11/12**	**Year 9 FY12/13**	**Year 10 FY13/14**	**Year 11 FY14/15**
Planned Supported Client Devices (estimate)											
Full Client Devices											
Q1	0	27,566	25,098	25,098	23,493	21,517	21,023	21,023	21,023	21,023	21,023
Q2	0	26,949	24,481	24,481	22,999	21,023	21,023	21,023	21,023	21,023	21,023
Q3	0	26,332	24,481	24,481	22,505	21,023	21,023	21,023	21,023	21,023	21,023
Q4	22,533	25,715	24,481	23,987	22,011	21,023	21,023	21,023	21,023	21,023	21,023
Thin Client Devices											
Q1	0	1,234	3,702	4,319	5,307	7,283	7,777	7,777	7,777	7,777	7,777
Q2	0	1,851	4,319	4,319	5,801	7,777	7,777	7,777	7,777	7,777	7,777
Q3	0	2,468	4,319	4,319	6,295	7,777	7,777	7,777	7,777	7,777	7,777
Q4	617	3,085	4,319	4,813	6,789	7,777	7,777	7,777	7,777	7,777	7,777
Total Supported Client Devices (estimate)	23,150	28,800	28,800	28,800	28,800	28,800	28,800	28,800	28,800	28,800	28,800

	Baselines										
	Year 1 FY04/05	**Year 2 FY05/06**	**Year 3 FY06/07**	**Year 4 FY07/08**	**Year 5 FY08/09**	**Year 6 FY09/10**	**Year 7 FY10/11**	**Year 8 FY11/12**	**Year 9 FY12/13**	**Year 10 FY13/14**	**Year 11 FY14/15**
Service Desk Calls/Supported Client Device per month	n/a	1.04	0.99	0.96	0.94	0.89	0.86	0.85	0.85	0.84	0.84
IMACs											
Soft IMACs/user/year	n/a	0.21	0.26	0.21	0.17	0.17	0.12	0.13	0.14	0.14	0.14
Metro IMACs/user/year	n/a	0.29	0.24	0.12	0.06	0.05	0.03	0.02	0.02	0.02	0.02
Rural/Remote IMACs/user/year (aggregate)	n/a	0.19	0.16	0.08	0.04	0.03	0.02	0.02	0.01	0.01	0.01
Deskside Support events											
Deskside Advice/user/year	n/a	0.21	0.22	0.22	0.20	0.18	0.17	0.16	0.14	0.13	0.13
Metro fixes/user/year	n/a	0.15	0.12	0.11	0.10	0.09	0.08	0.07	0.07	0.06	0.06
Rural/Remote fixes/user/year (aggregate)	n/a	0.10	0.08	0.07	0.07	0.06	0.05	0.05	0.04	0.04	0.04
Enterprise Image Support Number of images	n/a	10	10	10	10	10	10	10	10	10	10
Enterprise Image Releases Number of Releases per year	n/a	45	45	45	45	45	45	45	45	45	45
DTS Infrastructure Users Number of users (estimate)	n/a	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Exchange and IDIR Admin Users Number of users (estimate)	200	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD

Monthly Service Charge Rates											
Prices in Unit Dollars	**Year 1 FY04/05**	**Year 2 FY05/06**	**Year 3 FY06/07**	**Year 4 FY07/08**	**Year 5 FY08/09**	**Year 6 FY09/10**	**Year 7 FY10/11**	**Year 8 FY11/12**	**Year 9 FY12/13**	**Year 10 FY13/14**	**Year 11 FY14/15**
Workstation Services											
Full Client Device price per month											
Q1	n/a	70.45	62.85	58.79	54.51	51.08	47.64	44.44	41.47	38.67	35.97
Q2	n/a	65.38	62.85	55.27	51.23	47.80	44.60	41.62	38.85	36.24	35.97
Q3	69.94	65.38	62.85	55.27	51.23	47.80	44.60	41.62	38.85	36.24	35.97
Q4	69.94	63.35	62.85	55.27	51.23	47.80	44.60	41.62	38.85	36.24	35.97
Thin Client Device price per month											
Q1	n/a	60.26	55.41	51.79	48.45	45.37	42.27	39.40	36.75	34.30	32.02
Q2	n/a	57.26	55.41	48.51	45.39	42.31	39.43	36.77	34.31	32.03	32.02
Q3	59.91	57.26	55.41	48.51	45.39	42.31	39.43	36.77	34.31	32.03	32.02
Q4	59.91	55.37	55.41	48.51	45.39	42.31	39.43	36.77	34.31	32.03	32.02
Legacy Provincial Image Support											
Price per month per image	1900.00	1900.00	1900.00	1900.00	1900.00	1900.00	1900.00	1900.00	1900.00	1900.00	1900.00
Enterprise Image Support											
Support Charge (price per month)	270.00	270.00	270.00	270.00	270.00	270.00	270.00	270.00	270.00	270.00	270.00
Development charge (one time)	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
DTS Infrastructure per month per user											
Q1	n/a	10.00	9.65	9.00	8.39	7.82	7.26	6.73	6.24	5.79	5.37
Q2	n/a	10.00	9.00	8.39	7.82	7.26	6.73	6.24	5.79	5.37	5.37
Q3	10.00	10.00	9.00	8.39	7.82	7.26	6.73	6.24	5.79	5.37	5.37
Q4	10.00	9.65	9.00	8.39	7.82	7.26	6.73	6.24	5.79	5.37	5.37
Roaming Profile Support											
Price per month per user	4.40	4.40	4.31	4.01	3.93	3.85	3.77	3.69	3.62	3.55	3.48
Home Support Services											
Price per event	325.00	325.00	325.00	325.00	325.00	325.00	325.00	325.00	325.00	325.00	325.00
Exchange and IDIR Administration											
Price per month per user	4.40	4.40	4.40	4.20	4.00	3.90	3.80	3.70	3.60	3.60	3.60
One time charge	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00

ARC Rates											
Prices in Unit Dollars	**Year 1 FY04/05**	**Year 2 FY05/06**	**Year 3 FY06/07**	**Year 4 FY07/08**	**Year 5 FY08/09**	**Year 6 FY09/10**	**Year 7 FY10/11**	**Year 8 FY11/12**	**Year 9 FY12/13**	**Year 10 FY13/14**	**Year 11 FY14/15**
Service Desk price per call	n/a	11.50	11.37	10.87	10.37	9.87	9.50	9.19	8.88	8.57	8.57
IMACs											
Soft IMACs price per IMAC	n/a	67.00	64.00	61.00	58.00	55.00	52.00	49.00	46.00	43.00	43.00
Metro IMACs price per IMAC	n/a	72.70	69.70	66.70	63.70	59.70	55.70	51.70	47.70	43.70	43.70
Rural/Remote IMACs price per IMAC (blended rate)	n/a	146.00	146.00	146.00	146.00	144.00	143.00	140.00	140.00	140.00	140.00
Deskside Support											
Deskside Advice price per event	n/a	35.40	30.40	25.40	23.90	22.40	20.90	19.40	17.90	16.40	16.40
Metro fixes price per event	n/a	78.00	77.00	76.00	72.00	68.00	63.00	58.00	53.00	48.00	48.00
Rural/Remote fixes price per event (blended rate)	n/a	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00

RRC Offsets											
Prices in Unit Dollars	**Year 1 FY04/05**	**Year 2 FY05/06**	**Year 3 FY06/07**	**Year 4 FY07/08**	**Year 5 FY08/09**	**Year 6 FY09/10**	**Year 7 FY10/11**	**Year 8 FY11/12**	**Year 9 FY12/13**	**Year 10 FY13/14**	**Year 11 FY14/15**
Service Desk price per call	n/a	1.00	1.12	1.12	1.12	1.01	0.96	0.95	0.94	0.93	0.93
IMACs											
Soft IMACs price per IMAC	n/a	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Metro IMACs price per IMAC	n/a	6.50	6.50	6.50	6.50	5.50	5.50	5.50	5.50	5.50	5.50
Rural/Remote IMACs price per IMAC (blended rate)	n/a	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Deskside Support Visits											
Deskside Advice price per event	n/a	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
Metro fixes price per event	n/a	4.00	4.00	6.00	7.00	8.00	8.00	8.00	8.00	8.00	8.00
Rural/Remote fixes price per event (blended rate)	n/a	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00

Hourly Services Rates	
($ per hour)	**To March 31, 2007**
Project Manager	$116.00
Senior architect	$142.00
Intermediate architect	$116.00
Junior architect	$106.00
Senior technician	$97.00
Intermediate technician	$88.00
Junior technician	$79.00

* Hourly Services Rates for years following March 31, 2007 will be quoted to the Province in the June before the Contract Year in which they apply (i.e. rates for 2007/2008 will be quoted in June 2006).

- The Project Manager has overall responsibility for the project plan, including the resources, schedule and deliverables. The project manager works with the key stakeholders from the Province to develop the project plan and provides management direction to all IBM project resources.
- The Senior IT Architect is responsible for translating the Province's business requirements into specific system, application or process designs. This includes working with Province personnel and executives to identify functional requirements and subsequently working with and leading teams in the identification, justification and design of the client's solution.
- The Intermediate IT Architect participates in translation of the Province's business requirements into specific system, application or process designs. This includes working as a team member with key IBM and Province personnel to identify functional requirements in the identification, justification and design of the solution. The Intermediate Architect may lead small teams on less complex engagements.
- The Junior IT Architect participates, under the guidance of a more experienced IT Architect, in translation of the Province's business requirements into specific system, application or process designs.
- The Senior Technician provides analytical skills and creativity in developing and implementing solution deliverables for a medium to large sized projects. The Senior Technician regularly provides technical advice to project managers and team leaders, and gives technical direction to team members including IBM, subcontractor, and Province technical staff.
- The Intermediate Technician performs technical tasks including hardware/software analysis, programming, product installation, testing, and system integration. The Intermediate Technician has specialized product or industry related skills and may give technical direction to team members including IBM, subcontractor, and Province technical staff.

- The Junior Technician works as a member of a team to assist in the delivery of technical solutions in response to specific business requirements. The Junior Technician works under the direction of a more experienced technician or project manager to perform assigned technical tasks including product installation, testing, and system integration.

Hardware Deployment Rates	
($ per deployment event)	**To March 31, 2007**
Desktop	$292.00
Laptop	$311.00
Thin Client device	$66.00

The Hardware Deployment charge rates for years following March 31, 2007 will be quoted to the Province in the June before the Contract Year in which they apply (i.e. rates for 2007/2008 will be quoted in June 2006).

Summary of Charges			
Metric	**Type of Charge**	**ECA applicable**	**Baseline Price Reset**
Full Client Device	Monthly unit rate	Yes	Subject to reset
Thin Client Device	Monthly unit rate	Yes	Subject to reset
Service Desk calls	ARC/RRC rate	Yes	Applies to reset
IMACs	ARC/RRC rate	Yes	Applies to reset
Deskside support events	ARC/RRC rate	Yes	Applies to reset
Legacy Provincial Image	Monthly unit rate	Yes	N/A
Enterprise Image development	One time charge per image	Yes	N/A
Enterprise Image Support	Monthly unit rate	Yes	N/A
DTS Infrastructure Users	Monthly unit rate	Yes	N/A
Roaming Profile Support Users	Monthly unit rate	Yes	N/A
Home Support Events	Price per event	Yes	N/A
Exchange and IDIR Administration Users	Monthly unit rate	Yes	N/A

Summary of Charges			
Metric	**Type of Charge**	**ECA applicable**	**Baseline Price Reset**
Hourly Services	Price per hour	No – rates will be quoted each year	N/A
Hardware Deployment	Price per deployment	No – rates will be quoted each year	N/A
Application Inventory & Assessment	Fixed price per month	No	N/A
Payment for Space	Actuals	No	N/A
Third Party Contracts	Actuals plus fee/fixed price	No	N/A

Exhibit F-2

Service	Description	Tax Status
Data Processing Services	Represents the primary data-related activities that are not part of the other distinct services listed in the other Service categories descriptions, and relate to IBM owned or used hardware and software, such as: • operating mainframe and midrange data centers; • managing distributed environments; • installations, upgrades, configurations, testing, modifications, and maintenance of hardware and software owned / leased / licensed and used by IBM; • management, monitoring and related planning, security, data entry, problem resolution, raised floor, power, local print output [not Print or Lettershop Services], and business recovery services (other than development of a disaster recovery plan = consulting); and • administrative professional services performed for the customer [individual record keeping, reporting, procurement services, preparation of invoices for customers and asset management etc.], as a requirement to meet deliverables of related services.	Not taxable in BC
Help Desk Services – Advice Only	The assistance and/or information provided in response to customer's questions, including telephone support for hardware or software inquiries and system availability.	Not taxable in BC
Hardware Installation / Maintenance Services	Installing, moving, adding and changing services where hardware is "owned" by the customer. Includes "IMAC" for NWS services but also installs relating to customer assets in a mainframe or midrange environment. Also includes hardware break/fix activities on customer equipment not covered by product warranty.	BC PST
Non Custom Software Installation / Maintenance Services	Installing customer owned or licensed software and includes installing upgrades, configuring, testing and maintenance of operating and applications software owned or licensed by the customer.	BC PST

Tax Allocation – Percent of Charge Subject to BC PST	
	Up to March 31, 2007
Full Client Device	13%
Thin Client Device	3%
Service Desk calls	0%
IMACs	100%
Deskside events	
- Deskside Advice	0%
- Metro/Rural/Remote Fix	100%
Legacy Provincial Image	100%
Enterprise Image Development	100%
Enterprise Image Support	100%
DTS Infrastructure Users	0%
Roaming Profile Support Users	0%
Home Support Events	100%
Exchange and IDIR Administration	0%
Hardware Deployment	100%
Application Inventory & Assessment	0%
Payment for Space	0%
Third Party Contracts	100%

Schedule G

Technical Transition and Refresh

1.0 Introduction

This service provides for the technical transition and refresh of workstations. The key objective of the workstation refresh project is to migrate the Client's current workstation technology infrastructure to a standardized environment and refresh as appropriate to the device's economic life throughout the Agreement.

The initial refresh cycle is expected to begin within four (4) months of the Commencement Date and planned to be completed within twenty four (24) months from the Commencement Date. The direction of the Province is to deploy new Supported Desktops with the Core Software on the standard hardware platforms, as defined in Standards Hardware Schedule. Subsequent refresh cycles for workstations will take place every three (3) years. Subsequent refresh cycles for thin client devices will take place every five (5) years.

IBM will be responsible for developing the workstation refresh project plan for each refresh. The refresh plan will be developed with the input of the Province.

1.1 IBM Responsibilities:

a) IBM will:

1. Designate a lead project manager, project coordinator and a project administrator.

b) IBM's lead project manager will:

1. lead IBM's workstation refresh project team;
2. work with the Province and Client to develop and agree upon a project plan;
3. have overall responsibility for the project schedule and deliverables;
4. set up a project management system and project standards;
5. assemble a project team with the skills required to plan and implement the project:
6. provide project management direction;
7. assist the Province in the joint development of the overall project communication plan;
8. be responsible to communicate with the Client on project status;

9. be responsible for risk management for the workstation refresh project;

10. be responsible for issue management;

11. be responsible for addressing change management within the workstation refresh project scope; and

12. use the Province's Operational Change Management system as the principle technical change management system.

c) The IBM project coordinator will:

1. assist the IBM lead project manager in development of the project plan;

2. create and maintain the workstation refresh project implementation plan;

3. schedule and run project status meetings;

4. produce regular status reports for the project;

5. be responsible for day to day communications with the workstation refresh project team;

6. coordinate communications between the field teams and the Client User office contacts;

7. be responsible for development of the field installers guide;

8. coordinate and provide training and equipment for the field installation teams;

9. manage issues encountered by the project team requiring Client intervention or follow-up;

10. identify services that may be out of scope of the project to Client;

11. track project costs and schedule relative to plan and adjust as required;

12. report on project milestones;

13. monitor and maintain project progress, contain costs and resolve issues where necessary;

14. use the Province's Operational Change Management process to manage changes to the project plan;

15. escalate issues when senior management action is required;

16. achieve overall project quality; and

17. produce project completion report.

d) The IBM project administrator will:

1. perform administrative tasks to support IBM's lead project manager and project coordinator;

2. assist field installers with making travel arrangements;

3. co-ordinate field installer's schedules;

4. track field installer's time records;

5. assist in preparation of status reports;

6. place orders for the various hardware and software products required for the workstation refresh project;

7. assist the IBM project coordinator to complete the various day-to-day coordination tasks;

8. ensure equipment disposal is executed according to Province's policies; and

9. coordinate transmission of inventory data to IBM's configuration management database as defined in Schedule B-10 Asset Inventory Management.

2.0 Workstation Refresh Asset Management Plan

IBM will develop and maintain a workstation refresh project asset management plan for the fulfillment, management and disposal of assets throughout the project. The plan will identify the processes for receiving, storing, imaging, and shipping assets for deployment in the workstation refresh project.

a) IBM will:

1. be responsible for preparation of the workstation refresh project asset management plan and the integration of its outputs into the larger asset management system;

2. ensure that the workstation refresh project asset management plan includes:

    1) a strategy and process for supporting the deployment of Client User workstations including the disposal of retired devices;

    2) specific processes, controls, and reporting procedures for tracking the secure scrub and disposal of Client User workstations;

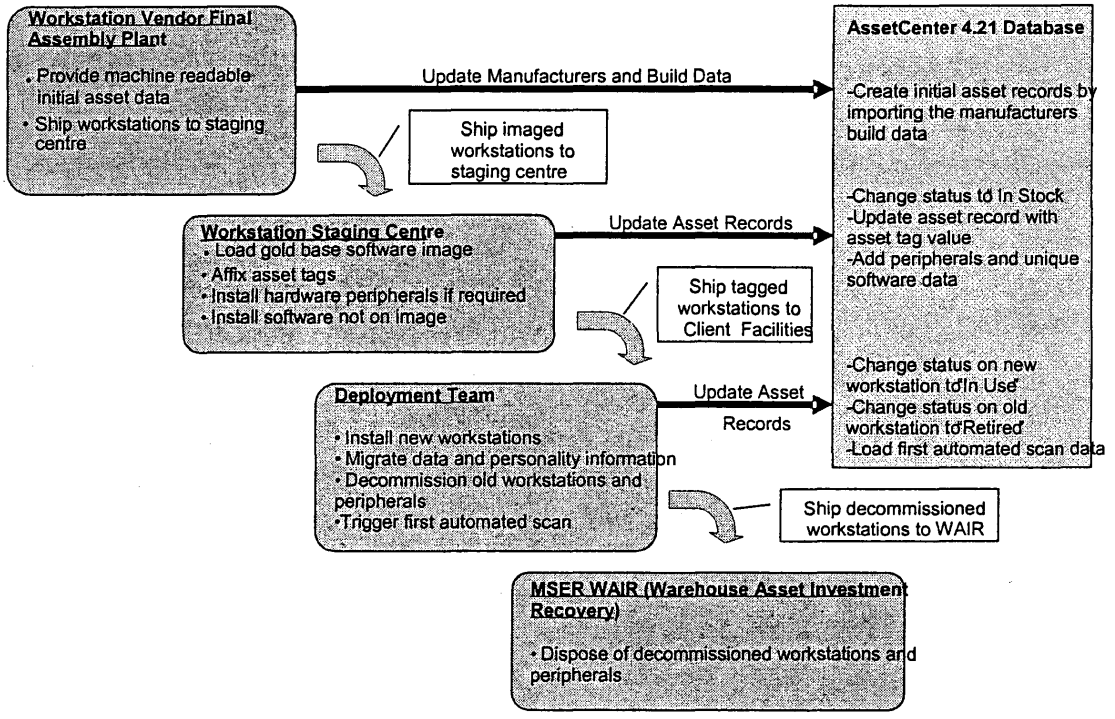
    3) a process to secure Client User workstations while in transit until they reach the disposal site;

    4) a process to assure delivery of operational Client User workstations;

    5) a process for identification and disposal of retired assets within ten (10) business days of removal; and

    6) adhering to disposal processes and procedures as outlined in IMAC Execution Schedule.

3.0 Asset Management Workflow diagram for the workstation refresh project:



4.0 Workstation Images

a) IBM will:

1. build software images for the standard desktop and laptop workstations as defined in Standards Hardware Schedule; and

2. prepare the images for replication and deployment as required to support the implementation activity and will manage and maintain the readiness of desktop images for deployment for each category of desktop as defined in Base Technology Service Schedule.

5.0 Workstation Refresh Deployment

a) IBM will:

1. complete all installation and removal of the equipment that is within the scope of this project;

2. establish deployment teams, comprised of project management resources, field installers, and technical support resources;

3. utilize multiple teams who will perform the installation work; and

4. supply each team with the equipment needed to complete their tasks.

6.0 Field Installation teams

a) IBM will:

1. complete tasks identified in the field installer's guide;
2. install Client approved software applications;
3. provide workstation data moves and conversions:
    a. ensure the Client User profile is migrated to the new Supported Desktop;
    b. assist the Client User data migration, for a maximum of 15 minutes as required; and
    c. provide, if requested by the Client, data conversion services. This may lead to additional charges;
4. provide users, where necessary, with user orientation, for a maximum of 15 minutes, on use of PC hardware and peripherals, and simple Windows functions such as launching software, printing, logging on, accessing network drives;
5. adhere to disposal processes and procedures as outlined in IMAC Execution Schedule;
6. record all inventory, as defined in the Asset Inventory Management Schedule and Software Asset Tracking Schedule; and
7. obtain sign-off from the Client.

7.0 Province Responsibilities

a) Workstation Refresh Plan

The Province will:

1. provide input to the workstation refresh project plan;
2. provide input to the field installer's guide as required; and
3. approve or reject the field installer's guide.

b) Asset Management Plan

The Province will:

1. assist and approve or reject the asset management plan;
2. approve or reject the acquisition of the hardware and software assets; and
3. issue purchase orders for the acquisition of hardware, software and other equipment required for workstation refresh project deployment.

c) Desktop Environment

The Province will:

1. make hardware, software and other equipment available for each category of Supported Desktops from its inventory for the image build process;

2. provide input to the image specifications;

3. ensure license compliance related to the software on the Supported Desktops.

4. provide assistance in Client testing and acceptance; and

5. approve or reject the final image configurations.

d) Workstation Refresh deployment

The Province will:

1. provide a Province Focal Point for the workstation refresh project;

2. approve or reject the workstation refresh project plan and any changes to the plan;

3. approve or reject decisions with respect to changes in the workstation refresh project;

4. attend project status meetings;

5. provide a Client contact list for scheduling work within Facilities;

6. attend and contribute to workstation refresh project planning sessions;

7. communicate to Client the scope of the workstation refresh project plan;

8. identify, to the Client, any training required for Client User prior to the installation dates;

9. assist in development of a communication plan;

10. assist in establishing report requirements;

11. communicate the workstation refresh project plan to the Client facility contacts, in advance of their refresh;

12. manage Client requests for work outside the scope of the workstation refresh project; and

13. be responsible for all Province initiatives that the workstation refresh project is dependent on.

Schedule
H – Organizational Structure

This Schedule H identifies the organizational structure of IBM and each of the Key Subcontractors, as of the Effective Date, as follows:

- Exhibit H-1 - Organizational Structure of IBM as of the Effective Date
- Exhibit H-2 - Organizational Structure of ISM as of the Effective Date
- Exhibit H-3 - Organizational Structure of Microserve as of the Effective Date
- Exhibit H-4 - Organizational Structure of Tecnet as of the Effective Date

Exhibit H-1

Organizational Structure
IBM

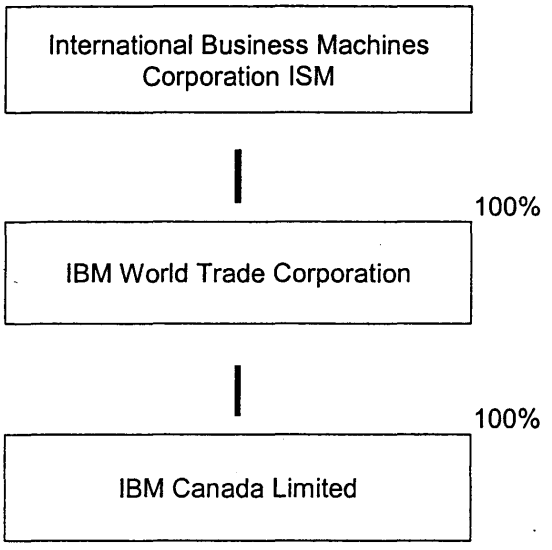


Exhibit H-2

Organizational Structure
ISM

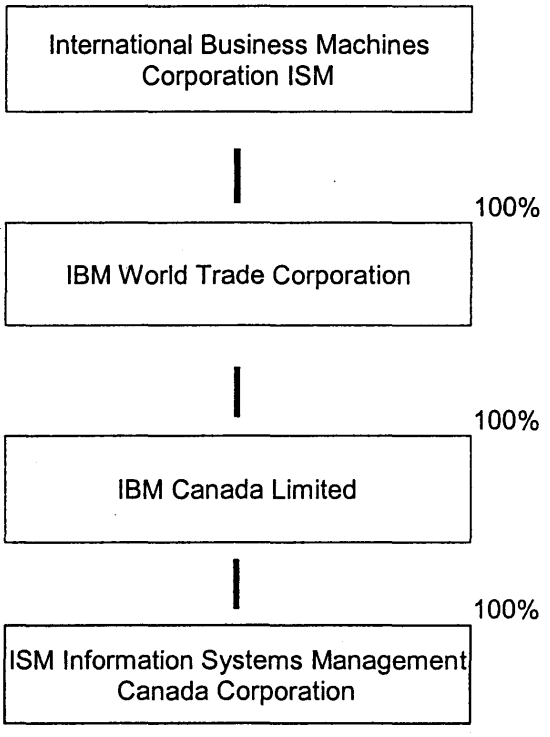


Exhibit H-3

Organizational Structure
Microserve

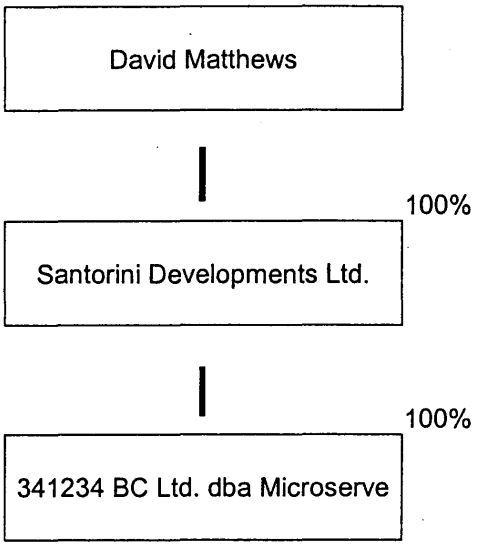
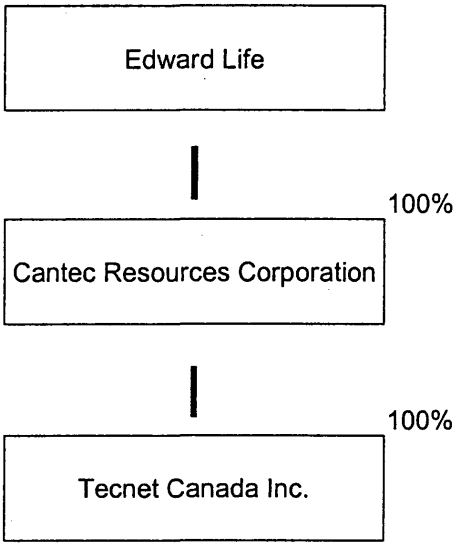


Exhibit H-4

Organizational Structure
Tecnet



Schedule
I – Application and Operating Software Lists

1.0 Introduction:

This Schedule describes software support, its general conditions and the five (5) levels of support Client Users can request and receive on each piece of software. The Schedule also includes a description of software standards governance councils and how Client Users can request support for software that is not supported or where additional support may be required over and above the level identified. Exhibit 1 contains the list of software by title, version and software category and show the expected support level for the end of Stage 4Transition. Changes to this list, as required, will follow the Change Order Process on a semi-annual basis.

2.0

2.1. In General:

2.1.1. IBM Responsibilities

IBM will:

1. assist the Province is establishing the standard software as listed in Exhibit I-1;
2. manage and maintain a test lab at an IBM Facility to assist the Province as outlined in Base Technology Engineering Services to test prospective Core Software;
3. manage and report on Client purchasing trends of software as outlined in the order management subsection in the Operational Reporting Schedule;
4. provide impact assessments based upon software selections as outlined in Base Technology Engineering Services Schedule; and
5. monitor all industry trends to recommend opportunities to the Province as outlined in Base Technology Engineering Services Schedule.

2.1.2. Province Responsibilities

The Province will:

1. establish the Standards as listed in Exhibit I-1;
2. approve and update the Standards roadmap on a semi-annual basis;
3. publish and maintain the list of software standards for review by Clients and Client Users;
4. provide impact assessments based upon software selections;

5. monitor all industry trends to determine future directions of the Province;

6. define the forum for determining the standards of the Province; and

7. provide Client User training through the Client organization.

3.0 Software Support Levels

3.1. Full Supported Software

Full Supported Software is software that falls under the two (2) categories:

Core Software is Supported Desktop software that forms an Enterprise Image. It is also found on all Client User desktops and is usually part of a Province enterprise license agreement. Software in this category has been tested for use within the Enterprise Image and is deployed and installed as part of a Supported Desktop.

Supported Software is Supported Desktop software that is used extensively across Client organizations. Typically there are sufficient quantities in use or other business related requirements to warrant the cost of providing Full Supported Software for the Client User using this software. Software in this category has been tested for use within the Enterprise Images on a project basis and is deployed and installed in a mutually agreed process.

3.1.1. IBM Responsibilities, in addition to the general responsibilities listed above

IBM will:

1. provide Service Desk and Level 2 support as listed within this Agreement for all software that falls within this category as listed in Exhibit I-1.

3.1.2. Province Responsibilities, in addition to the general responsibilities listed above

The Province will:

1. manage Client expectations and demand for frequent changes to the software list as in Exhibit I-1.

3.2. Limited Effort

Limited Effort means that technical support will be generally limited to ten (10) minutes at the Service Desk with the dispatch if appropriate to the Line of Business (LOB) Application Software helpdesk (called the LOB Helpdesk hereafter). There are no specific requirements for IBM to maintain certain training levels or levels of competence at the Service Desk. It is assumed that the technical capabilities of the resources on the Service Desk can access a knowledge database and will be able to provide commercially reasonable technical assistance to Client Users that request support on software within this category. In the event that this type of software causes a Supported Desktop to become unstable or dysfunctional, the repair action will be to restore the Supported Desktop back to its Enterprise Image state. Software in this category has been tested for use within the Enterprise Images on a project basis and is deployed and installed in a mutually agreed process. When IMAC requests are received, the request will be handled via the IMAC process to arrange for the acquisition, delivery and installation of the software. Wherever possible the software will be installed remotely and by On-site Service Support when this is the only method available.

3.2.1. IBM Responsibilities, in addition to the general responsibilities listed above

IBM will:

1. provide Service Desk support generally limited to ten (10) minutes for all software that falls within this category as listed in Exhibit I-1.

3.2.2. Province Responsibilities, in addition to the general responsibilities listed above

The Province will:

1. provide LOB Helpdesk resources, as available, to provide LOB Helpdesk Level 1 support; and

2. assist Client Users to make a temporary backup of their Supported Desktop user data prior to IBM restoring the Supported Desktop back to its Enterprise Image state.

3.3. Install Only

Install Only means the support will be limited to the installation of a new license under the IMAC process, re-installation of the software under electronic service delivery (ESD), On-site support, or restoring the machine to its Enterprise Image. There will not be any "how to" support or technical analysis performed to resolve incompatibilities of other functional problems. The Service Desk may dispatch if appropriate to the LOB Helpdesk . Software in this category has been tested for use within the Enterprise Images on a project basis and is deployed and installed in a mutually agreed process.

3.3.1. IBM Responsibilities, in addition to the general responsibilities listed above

IBM will:

1. provide technical support limited to installing and reinstalling the software;

3.3.2. Province Responsibilities, in addition to the general responsibilities listed above

The Province will:

1. provide LOB Helpdesk resources, as available, to provide LOB Helpdesk Level 1 support; and

2. assist Client Users to make a temporary backup their Supported Desktop user data prior to IBM restoring the Supported Desktop back to its Enterprise Image state.

3.4. Line of Business (LOB) Support

Line of Business (LOB) Support means that the Province or Client Line of Business (LOB) Applications Software is identified as being supported by the Client. Calls received for the Province or Client Line of Business (LOB) Applications Software will receive basic Problem determination and once identified to be related to a Province or Client Line of Business (LOB) Applications Software, the Problem or Incidents will be dispatched to the appropriate LOB support organization. Software in this category has been tested for use within the Enterprise Images on a project basis and is deployed and installed in a mutually agreed process.

3.4.1. IBM Responsibilities, in addition to the general responsibilities listed above

IBM will:

1. At the direction of the LOB Helpdesk, install and re-install the product as a part of either On-Site Support, or remote installation as a means to resolve Incidents or Problems with the software as per Service Desk & IMAC schedule.

3.4.2. Province Responsibilities, in addition to the general responsibilities listed above

The Province will:

1. provide LOB Helpdesk resources, as available, to provide LOB Helpdesk Level 1 support; and

2. assist Client Users to make a temporary backup their Supported Desktop user data prior to IBM restoring the Supported Desktop back to its Enterprise Image state.

3.5. Buy/Ship

Buy/Ship means services as implied by the name. When Calls are received and Incidents are reported for software designated as Buy/Ship there will be no technical assistance provided at the Service Desk but may include passing the Client User to the appropriate LOB Helpdesk or other 3rd Party vendor for support. In the event that this type of software causes the Supported Desktop instability or becomes dysfunctional, then the action to resolve the Incident will be to re-image the Supported Desktop back to its Enterprise Image configuration. Software in this category will not be tested for use within the Enterprise Images and will not be installed by IBM or IBM Subcontractors.

3.5.1. IBM Responsibilities, in addition to the general responsibilities listed above

IBM will:

1. perform Order Management Services for requests received at the Service Desk and arrange for the acquisition, delivery and tracking of the software.

3.5.2. Province Responsibilities, in addition to the general responsibilities listed above

The Province will:

1. encourage Clients to purchase software maintenance and technical support services from the manufacturer and/or another 3rd party;

2. provide LOB Helpdesk resources, as available, to provide LOB Helpdesk Level 1 support; and

3. assist Client Users to make a temporary backup their Supported Desktop user data prior to IBM restoring the Supported Desktop back to its Enterprise Image state.

4.0 Workstation Councils

4.1. Workstation Technology Vision Council

This council will provide insight into future products and services for the Province.

IBM will:

1. organize semi-annual meetings or meeting frequency as otherwise agreed; and

2. chair the meetings.

The Province will:

1. submit agenda items to IBM where and when applicable; and

2. participate in meetings.

4.2. Workstation Standards Council

This council is a joint council that is responsible for maintaining the standard hardware and software lists.

IBM will:

1. participate in the meetings.

The Province will:

1. organize semi-annual meetings or meeting frequency as otherwise agreed; and

2. chair the meetings.

5.0 Obtaining Support Outside the Definition

In the event that a Client requests technical assistance to resolve incompatibility issues that require support beyond that outlined in the Software Support Level Definition categories listed in Section 3 above, assistance may be provided through Project Services.

6.0 Changing Support Levels

The Software Support Levels will change over time as software products move through their life cycle and as their usage profile change within the Province's environment. Changes to Software Support Levels will be addressed through the Change Order Process.

7.0 Supported Software List

The following list in Exhibit I-1 outlines the software products and their support levels intended for the end of Stage 4 Transition. This list will be amended through the Change Order Process at least semi-annually.

From Commencement Date to the end of Stage 4 Transition , the following responsibilities apply:

IBM will:

1. provide reasonable commercial effort support for Full Supported Software and Limited Effort software products listed in Exhibit I-1;

2. provide support for the balance of the software listed in Exhibit I-1. As a general principle support will be provided as is done today to the end of Stage 3 Transition;

3. jointly review the standard software list in Exhibit I-1 with the Province to validate the technical support and deployment method for the period bounded by the end of stage 3 to end of stage 4; and

4. report on service performance.

The Province will:

1. jointly review the standard software list in Exhibit I-1 with IBM to validate the technical support and deployment method for the period bounded by the end of stage 3 to end of stage 4.

Exhibit I1 – Target software Standards for end of Stage 4 – Transition

Function Category	Product Name/ Manufacturer	Product Version	Client Facing (Yes/No)	IBM Technical Support				IBM Deployment Method					Client or Province Support Level	Additional Notes
				Level 1 / Level 2	Level 1 (Script)	Limited Effort	None	Enterprise Images	Addon to Base	IMAC	Install Only	Buy / Ship		
Operating System														
	Windows 98 Workstation/ MS Corporation		Yes		√					√			Supported by LOB	Can no longer buy this product
	Windows NT Workstation/ MS Corporation	4.0	Yes		√					√			Supported by LOB	Can no longer buy this product
	Windows/ MS Corporation	2000 Professional	Yes	√						√				Product will be transitioned out
	Windows/ MS Corporation	XP Professional	Yes	√				√						
Operating System - Thin Client														
	Blazer/ Wyse	All	No		√			√ (as per Thin Client OS)					Supported by LOB	
	Windows CE/ MS Corporation	2.X	No		√			√ (as per Thin Client OS)					Supported by LOB	
	Windows CE.net/ MS Corporation	4.X	No	√				√ (as per Thin Client OS)						
	Windows XPe (embedded XP)/ MS Corporation	v2.1	No			√		√ (as per Thin Client OS)						
Access Remote Server														
	Dameware Mini remote Control/ DreamWare Development	3.74	Yes				√					√	Client Installed	
	PCAnywhere/ Symantec Corporation	9	Yes		√					√			Supported by LOB	Can no longer buy this product
	PCAnywhere/ Symantec Corporation	10.5	Yes				√				√			Can no longer buy this product
	PCAnywhere/ Symantec Corporation	11	Yes				√					√	Client Installed	
	RAS as part of Windows2000/ MS Corporation	Professional	Yes		√					√			Supported by LOB	
	RAS as part of WindowsXP/ MS Corporation	Professional	Yes				√				√			
	VNC/ Virtual Network Computing	3.3.7	Yes		√					√			Supported by LOB	
	VNC/ Virtual Network Computing	V4	Yes		√					√			Supported by LOB	
Access Virtual Private Network (VPN)														
	Cisco VPN/ Cisco	4.0.X	No	√					√				VPN Network Support	This is the target product and n+1 right now
	Extranet Access Client (from CITS)/ Bay Networks	2.X	No		√					√			Supported by LOB & VPN Network Support	We want to retire this product
	VPN Client/ Nortel	3.7	No		√					√			Supported by LOB & VPN Network Support	
	VPN Client/ Nortel	4.X	No			√				√			VPN Network Support	
Access Video Conferencing														
	Net Meeting/ MS Corporation	3.X	No		√				√				Supported by LOB	High volume install product (14.5K) but not known if V3 or V4
	Net Meeting as part of IE/ MS Corporation	4.x	No				√				√			Included in OS/IE
Anti-Virus														
	Norton AntiVirus Corporate Ed./ Symantec Corporation	7.X	Yes		√					√			Supported by LOB	We want to retire this product
	Symantec AntiVirus Corporate Ed./ Symantec Corporation	8.X	Yes			√				√				We want to retire this current CORE product
	Symantec AntiVirus Corporate Ed./ Symantec Corporation	9	Yes	√				√						
Application Development														
	The application Development category (and related SW,) has been moved to the end of the list.													
Assistive Tech SW														
	Duxbury for Windows/ Freedom Scientific	10.X	Yes				√					√	Client Installed	http://www.freedomofspeech.com/duxforwin.html (braille translation)
	JAWS/ Freedom Scientific	5	Yes				√					√	Client Installed	http://www.freedomscientific.com/fs_products/software_jaws.asp (voice synthesiser)
	Mavis Beacon Teaches Typing/ Riverdeep Interactive Learning	15	Yes				√				√			Typing tutor used by multiple Ministries - the new standard
	Naturally Speaking Pro/ Scansoft	Pre v 7	Yes		√					√			Supported by LOB	Can no longer buy this product
	Naturally Speaking Pro/ Scansoft	7	Yes				√					√	Client Installed	
	OpenBook/ Freedom Scientific	6	Yes				√					√	Client Installed	
	TapDance/ Unit 1& 2	1,2	Yes		√					√			Supported by LOB	
	TapDance/ Timed Test	1,3	Yes		√					√			Supported by LOB	

Function Category	Product Name/ Manufacturer	Product Version	Client Facing (Yes/No)	IBM Technical Support				IBM Deployment Method					Client or Province Support Level	Additional Notes
				Level 1 / Level 2	Level 1 (Script)	Limited Effort	None	Enterprise Images	Addon to Base	IMAC	Install Only	Buy / Ship		
	Typing Master/ TypingMaster	2003(V3.X)	Yes		√					√			Supported by LOB	
	UltraKey - Typing Tutor/ Bytes of Learning	4	Yes		√					√			Supported by LOB	
	Zoom Text/ Ai Squared	8.1	Yes				√					√	Client Installed	
Contact Management														
	Maximizer/ Multiactive	5.X	Yes		√					√			Supported by LOB	Would like to retire this package and upgrade folks to V7
	Maximizer/ Maximizer Software inc	7	Yes				√				√			
Data Logger														
	Boxcar/ Onset Computer Corporation	3.7	No				√					√	Client Installed	
Database access client														
	Bridgetrak/ Kemma Software	5.5	No				√					√	Client Installed	
	Clientele Conductor 7.3/ Epicor Software Corp.	7.3	No		√					√			Supported by LOB	
	Clientele HelpDesk 7.3 Application and Database/ Epicor Software Corp.	7.3	No		√					√			Supported by LOB	
	Clientele HelpDesk Loader 7.3/Ctetwin	7.3	No		√					√			Supported by LOB	
	Clientele Migration Tools 7.3/ Epicor Software Corp.	7.3	No		√					√			Supported by LOB	
	Db Searchworks/ InMagic	4.0x	No		√					√			Supported by LOB	
	Heat (service Desk)/ Front Range Solutions	6.X	No		√					√			Supported by LOB	
	Forte for Java/ Sun Microsystems	4.0 CE	No		√					√			Supported by LOB	
	Java Virtual Machine/ MS Corporation	5.0	No	√					√					included in OS support
	Java Runtime Edition/ Sun Microsystems	1.2	No				√				√			
	Java Runtime Edition/ Sun Microsystems	1.3.1_02	No			√				√				Used for Time OnLine
	Java 2 Runtime Edition/ Sun Microsystems	1.3.1_04	No								√			
	Java 2 Runtime Edition/ Sun Microsystems	1.3.1_06	No								√			
	Java 2 Runtime Edition/ Sun Microsystems	1.3.1_09	No				√				√			
	Java Runtime Edition/ Sun Microsystems	1.4.x	No	√					√					
	Jinitiator/ Oracle Corporation	1.1.7.18	No				√				√			
	Jinitiator/ Oracle Corporation	1.1.8.7	No				√				√			
	Jinitiator/ Oracle Corporation	1.1.8.16	No	√					√					
	Jinitiator/ Oracle Corporation	1.4.1.x	No				√				√			
	Microsoft Data Access Components (MDAC)/ MS Corporation	2.8	No		√					√			Supported by LOB	
	Microsoft Data Engine - MSDE/ MS Corporation		No		√					√			Supported by LOB	
	Oracle Client/ Oracle Corporation	8	No				√				√			
	Oracle Client/ Oracle Corporation	9i	No				√				√			
	Oracle SQL client for windows/ Oracle Corporation	7.X	No				√				√			
	Oracle SQL client for windows/ Oracle Corporation	8i(8.1.6 & 8.1.7)	No				√				√			
	Oracle SQL client for windows/ Oracle	9i	No				√				√			
	Peregrine AssetCenter/ Peregrine Systems	4.2	No				√				√			Part of IBM solution to integrate LOB Helpdesks
	Peregrine ServiceCenter/ Peregrine Systems	5	No				√				√			Part of IBM solution to integrate LOB Helpdesks
	Remedy Action Request System/ BMC Software Inc	4.X	No				√				√			Part of CITS CAP service
Database management system														
	DB2 Connect/ IBM	Personal Eddition	Yes				√					√	Client Installed	
	dBASE/ Borland	V & IV	Yes				√					√	Client Installed	
	Filemaker/ Filemaker Inc	4.x	Yes		√					√			Supported by LOB	Can no longer buy this product
	Filemaker/ Filemaker Inc	Pro 6.0	Yes				√					√	Client Installed	
	Lotus Approach/ IBM	97	Yes		√					√			Supported by LOB	Can no longer buy this product
	Lotus Approach/ IBM	9.8 (part of SmartSuite)	Yes		√					√			Supported by LOB	Can no longer buy this product
	Lotus Approach/ IBM	Millennium edition	Yes		√					√			Supported by LOB	Can no longer buy this product?
	Microsoft Foxpro/ MS corporation	2.5a	Yes		√					√			Supported by LOB	Can no longer buy this product

Function Category	Product Name/ Manufacturer	Product Version	Client Facing (Yes/No)	IBM Technical Support				IBM Deployment Method					Client or Province Support Level	Additional Notes
				Level 1 / Level 2	Level 1 (Script)	Limited Effort	None	Enterprise Images	Addon to Base	IMAC	Install Only	Buy / Ship		
	Visual Foxpro/ MS Corporation	6	Yes		√					√			Supported by LOB	Can no longer buy this product
	Visual Foxpro/ MS Corporation	7	Yes		√					√			Supported by LOB	
	Visual Foxpro/ MS Corporation	8	Yes				√					√	Client Installed	
	Access/ MS Corporation	97 sr2(7.0)	Yes		√					√			Supported by LOB	Can no longer buy this product
	Access/ MS Corporation	2000(9.0)	Yes			√				√				Can no longer buy this product
	Access/ MS Corporation	2002(10.0)	Yes	√					√					
	Access/ MS Corporation	2003(11.0)	Yes				√					√	Client Installed	
	Remedy Administrator/ BMC Software Inc	2.X	Yes		√					√			Supported by LOB	
Database Report Writer														
	ACL for Windows Version 7/ ACL Services Limited	7.2.1	Yes		√					√			Supported by LOB	
	Cognos Business Intelligence/ Cognos	7	Yes				√					√	Client Installed	
	Cognos DecisionStream/ Cognos	7	Yes				√					√	Client Installed	
	Cognos EP Series 7/ Cognos	7	Yes				√					√	Client Installed	
	Cognos Series 7 Version 2/ Cognos	2	Yes				√					√	Client Installed	
	Crystal Reports/ Business Objects	6	Yes		√					√			Supported by LOB	Can no longer buy this product
	Crystal Reports/ Business Objects	7	Yes		√					√			Supported by LOB	Can no longer buy this product
	Crystal Reports/ Business Objects	8.1	Yes		√					√			Supported by LOB	Can no longer buy this product
	Crystal Reports/ Business Objects	8.5	Yes		√					√			Supported by LOB	Can no longer buy this product
	Crystal Reports/ Business Objects	9.0 Standard	Yes			√				√				
	Crystal Reports/ Business Objects	9.0 Pro	Yes			√				√				
	Impromptu/ COGNOS	3.5	Yes		√					√			Supported by LOB	Can no longer buy this product
	Impromptu/ COGNOS	7	Yes			√				√				
	Discoverer client/ Oracle Corporation	3	Yes		√					√			Supported by LOB	Can no longer buy this product
	Discoverer client/ Oracle Corporation	4	Yes			√				√				
	Discoverer client/ Oracle Corporation	10g	Yes				√					√	Client Installed	
	Microfocus/ Microfocus Inc.	2.5	Yes		√					√			Supported by LOB	
	Microstrategy / Microstrategy Corp.	7.2.4	Yes		√					√			Supported by LOB	
Desktop Publishing														
	Fireworks/ Macromedia	MX2004	Yes				√					√	Client Installed	
	Hallogram/ Formstool	4	Yes		√					√			Supported by LOB	
	HyperSnap/ Hyperionics Technology	DX 4 and DX 5	Yes		√					√			Supported by LOB	http://www.hyperionics.com/
	Informed Filler/ FileNet Corp (formerly Shana)	3.0.5	Yes				√				√			CITS standard product
	PageMaker/ Adobe	6.5	Yes		√					√			Supported by LOB	
	PageMaker/ Adobe	7	Yes				√				√			
	PageMill/ Adobe	3.01	Yes				√					√	Client Installed	
	The Print Shop/ Broderbund	20	Yes				√					√	Client Installed	http://www.broderbund.com
	Publisher/ MS Corporation	98	Yes		√					√			Supported by LOB	
	Publisher/ MS Corporation	6	Yes		√					√			Supported by LOB	
	Publisher/ MS Corporation	2000(9.0)	Yes		√					√			Supported by LOB	
	Publisher/ MS Corporation	2002(10.0)	Yes				√				√			
	Publisher/ MS Corporation	2003(11.0)	Yes				√					√	Client Installed	
	Binder 97/ MS Corporation	97	Yes		√					√			Supported by LOB	
	Quark Xpress/ Quark Inc	6	Yes				√					√	Client Installed	
	Smartlabel For Windows/ Seiko Instruments USA Inc	4.61	Yes				√				√			
	SNAGIT/ TechSmith	5.5	Yes		√					√			Supported by LOB	Can no longer buy this product
	SNAGIT/ TechSmith	6.X	Yes		√					√			Supported by LOB	Can no longer buy this product
	SNAGIT/ TechSmith	7	Yes				√				√			
	Ventrua Publisher/ Corel Corp	10	Yes				√					√	Client Installed	
Drawing														
	AutoCAD/ Autodesk	2000i	Yes		√					√			Supported by LOB	Can no longer buy this product

Function Category	Product Name/ Manufacturer	Product Version	Client Facing (Yes/No)	IBM Technical Support				IBM Deployment Method					Client or Province Support Level	Additional Notes
				Level 1 / Level 2	Level 1 (Script)	Limited Effort	None	Enterprise Images	Addon to Base	IMAC	Install Only	Buy / Ship		
	AutoCAD/ Autodesk	2004	Yes				√					√	Client Installed	
	AutoCAD/ Autodesk	2005	Yes				√					√	Client Installed	
	AutoCAD lite/ Autodesk	2002	Yes		√					√			Supported by LOB	
	AutoCAD/ Map2000	2000	Yes		√					√			Supported by LOB	
	AutoSketch/ Autodesk	8	Yes				√					√	Client Installed	
	CorelDraw/ Corel	8	Yes		√					√			Supported by LOB	Can no longer buy this product
	CorelDraw/ Corel	12	Yes				√					√	Client Installed	
	Enterprise Architect/ Sparx Systems	4.x	Yes		√					√			Supported by LOB	Can no longer buy this product
	Microsoft Draw/ MS Corporation	98	Yes		√					√			Supported by LOB	Can no longer buy this product
	Organization Chart/ Banner Blue Software	2.X	Yes		√					√			Supported by LOB	Can no longer buy this product
	Org Plus/ Banner Blue Software	3.01	Yes				√				√			
	OrgPlus/ Human Concepts	4.0 Standard	Yes			√				√				
	ViewCompanion/ Software Companions	1.5	Yes		√					√			Supported by LOB	
	Visio/ MS Corporation	5 Standard	Yes		√					√			Supported by LOB	Can no longer buy this product
	Visio/ MS Corporation	2000 (6.x)(Pro and Standard)	Yes		√					√			Supported by LOB	We want people to upgrade to the 2002 product level
	Visio/ MS Corporation	2002(10.X) Standard	Yes			√				√				
	Visio/ MS Corporation	2002(10.X)Professional	Yes			√				√				
	Visio/ MS Corporation	2003(11.X)Pro and Standard)	Yes				√					√	Client Installed	
	WBS Chart Pro/ Critical Tools Inc	4.4	Yes		√					√			Supported by LOB	
File Remote Transfer														
	CuteFTP Pro/ Globalscape	3	Yes		√					√			Supported by LOB	
	CuteFTP Pro/ Globalscape	6	Yes		√					√			Supported by LOB	
	FTP Explorer/ WinPlanet	1	Yes		√					√			Supported by LOB	
	F-Secure SSH Client/ F-Secure	5.3	Yes		√					√			Supported by LOB	
	Internet Explorer/ MS Corporation	5.5	Yes			√				√				
	Internet Explorer/ MS Corporation	6	Yes	√				√						
	Internet Neighborhood/ KnowWare	5.45	Yes		√					√			Supported by LOB	
	OnNet Host Suite File Transfer/ FTP Software	5	Yes		√					√			Supported by LOB	
	WS-FTP Pro/ Ipswitch	8	Yes				√					√	Client Installed	
File Compression and Decompression														
	PKZIP/ PKWare	Pre 8.0	Yes	√						√			Supported by LOB	
	Winzip/ Nico Mak	8.X	Yes				√				√			
	Winzip/ Nico Mak	9.X	Yes			√				√				
	Winzip Self Extract/ Nico Mak	2.2	Yes				√				√			
	Windows XP/ MS Corporation	Professional	Yes	√				√						
Financial														
	Audit Control Language/ ACD Systems	8	Yes		√					√			Supported by LOB	
	QuickBooks 2002/ Intuit Canada Ltd.	2002	Yes		√					√			Supported by LOB	Can no longer buy this product
	Quicken/ Intuit Inc	2004 Delux	Yes		√					√			Supported by LOB	
	Simply Accounting/ AccPac International	8	Yes		√					√			Supported by LOB	Can no longer buy this product
	Simply Accounting/ AccPac International	2004, Basic and Pro	Yes		√					√			Supported by LOB	
Image Management														
	ACDSee/ ACDSee Systems Inc	4	Yes		√					√			Supported by LOB	Can no longer buy this product
	ACDSee/ ACDSee Systems Inc	5	Yes		√					√			Supported by LOB	Can no longer buy this product
	ACDSee/ ACDSee Systems Inc	6	Yes				√					√	Client Installed	
	ACDSee PowerPack/ ACDSee Systems Inc	6	Yes		√					√			Supported by LOB	
	After Effects/ Adobe Systems Incorporated	6	Yes		√					√			Supported by LOB	
	Canon Utilities PhotoStitch	3.1	Yes		√					√			Supported by LOB	
	CorelDraw Graphics Suite/ Corel	8	Yes		√					√			Supported by LOB	Can no longer buy this product
	CorelDraw Graphics Suite/ Corel	10	Yes		√					√			Supported by LOB	
	CorelDraw Graphics Suite/ Corel	11	Yes				√				√			
	CorelDraw Graphics Suite/ Corel	12	Yes				√					√	Client Installed	

Function Category	Product Name/ Manufacturer	Product Version	Client Facing (Yes/No)	IBM Technical Support				IBM Deployment Method					Client or Province Support Level	Additional Notes
				Level 1 / Level 2	Level 1 (Script)	Limited Effort	None	Enterprise Images	Addon to Base	IMAC	Install Only	Buy / Ship		
	Illustrator/ Adobe	9	Yes		√					√			Supported by LOB	Can no longer buy this product
	Illustrator/ Adobe	10	Yes										Buy/Ship	
	Image Composer/ MS Corporation	1.5	Yes				√					√	Client Installed	
	Lview pro/ Lview	3.75	Yes		√					√			Supported by LOB	
	Paint Shop Pro/ Jasc Software	7	Yes		√					√			Supported by LOB	Can no longer buy this product
	Paint Shop Pro/ Jasc Software	8	Yes				√				√			
	Photo Delux/ Adobe Systems Inc	2	Yes		√					√			Supported by LOB	Can no longer buy this product
	Photo Delux/ Adobe Systems Inc	3.1	Yes				√					√	Client Installed	
	PhotoEditor/ MS Corporation	3	Yes				√					√	Client Installed	
	Photoshop Album/ Adobe Systems Inc	2.0 Starter Edition	Yes				√					√	Client Installed	
	Photoshop Elements/ Adobe Systems Inc	2	Yes				√					√	Client Installed	
	Photoshop / Adobe	5.5	Yes		√					√			Supported by LOB	Can no longer buy this product
	Photoshop/ Adobe	6	Yes		√					√			Supported by LOB	Can no longer buy this product
	Photoshop/ Adobe	7	Yes				√				√			
	Photoshop/ Adobe	CS	Yes				√					√	Client Installed	
	Photoshop Pro/ Jasc Software	8	Yes				√					√	Client Installed	
	Premier/ Adobe Systems Incorporated	1.5	Yes		√					√			Supported by LOB	
	ZoomBrowser EX/ Canon Utilities	4.6	Yes		√					√			Supported by LOB	
Mapping (Volume work really needed here)														
	ArcExplorer/ ESRI	2	Yes		√					√			Supported by LOB	Can no longer buy this product
	ArcExplorer/ ESRI	3	Yes		√					√			Supported by LOB	Can no longer buy this product
	ArcExplorer/ ESRI	4	Yes				√					√	Client Installed	
	ArcInfo Desktop/ ESRI	8.X	Yes		√					√			Supported by LOB	We want to retire this product
	ArcInfo Desktop/ ESRI	9.X	Yes				√				√			
	ArcView/ ESRI	3	Yes		√					√			Supported by LOB	Can no longer buy this product
	ArcView/ ESRI	3.2	Yes		√					√			Supported by LOB	Can no longer buy this product
	ArcView/ ESRI	8.X	Yes				√				√			
	ArcGIS / ESRI	8.X	Yes				√					√	Client Installed	
	ArcGIS 3D Analyst/ ESRI	9	Yes		√					√			Supported by LOB	
	ArcGIS ArcObjects Developer Kit/ ESRI	8.3	Yes		√					√			Supported by LOB	
	Autodesk/ MapGuide	6.5	Yes				√					√	Client Installed	
	Microstation/ Bentley	95	Yes		√					√			Supported by LOB	
	Microstation/ Bentley	8	Yes		√					√			Supported by LOB	
	FME/ Safe Software	2004	Yes				√					√	Client Installed	
	Geomedia/ Intergraph Mapping and Geospatial Solutions	5.1	Yes		√					√			Supported by LOB	
	GPS Datamanager/ Lowrance Electronics Inc	3.1	Yes				√					√	Client Installed	
	GPS Pathfinder/ Trimble	2.90	Yes				√					√	Client Installed	
	GPSU/ GPS Utility Ltd.	4.04.6	Yes				√					√	Client Installed	
	ImageStation/ Zeiss-Intergraph	Z/I	Yes				√					√	Client Installed	
	Ion Server RSI IDL / RSI Research Systems Inc.	6.1	Yes				√					√	Client Installed	
	MapSource/ Garmin Ltd.	5.x	Yes				√					√	Client Installed	
	Manifold/ CDA International Ltd.	6	Yes				√					√	Client Installed	
	Mapinfo Pro/ Mapinfo Corporation	5.5	Yes		√					√			Supported by LOB	Can no longer buy this product
	Mapinfo Pro/ Mapinfo Corporation	6.5	Yes		√					√			Supported by LOB	
	Mapinfo Pro/ Mapinfo Corporation	7.x	Yes				√					√	Client Installed	
	Mapinfo Vertical Mapper/ Mapinfo Corporation	V2.5	Yes		√					√			Supported by LOB	
	Mapinfo Vertical Mapper/ Mapinfo Corporation	V3	Yes				√					√	Client Installed	
	Maps3D/ Mapinfo Corporation	2.5	Yes		√					√			Supported by LOB	
	Maps3D/ Mapinfo Corporation	3.0	Yes				√					√	Client Installed	
	MrSID GeoViewer/	2.1	Yes				√					√	Client Installed	
	Nobeltec Visual Navigation	6.5.616	Yes				√					√	Client Installed	
	OziExplorer/ OziExplorer	3.x	Yes				√					√	Client Installed	

Function Category	Product Name/ Manufacturer	Product Version	Client Facing (Yes/No)	IBM Technical Support				IBM Deployment Method					Client or Province Support Level	Additional Notes
				Level 1 / Level 2	Level 1 (Script)	Limited Effort	None	Enterprise Images	Addon to Base	IMAC	Install Only	Buy / Ship		
	Powerscope/ MicroStation	7.x	Yes				√					√	Client Installed	
	ProMiles Mileage Guide/ PSDC	10	Yes				√					√	Client Installed	
	Surfer 8/ Golden Software	8	Yes				√					√	Client Installed	
	Strater/ Golden Software	1.X	Yes				√					√	Client Installed	
	Streets & Trips/ Microsoft	11.0	Yes				√					√	Client Installed	
	QuikMap/ Dynamic Survey Solutions	2004	Yes				√					√	Client Installed	
Media Creation														
	B's Recorder Gold/ Sony Electronics Inc.	1.x	Yes		√					√			Supported by LOB	
	Easy Capture/ Easy Soft	1.x	Yes		√					√			Supported by LOB	
	Easy CD Creator Basic/ Adaptec	4	Yes		√					√			Supported by LOB	Can no longer buy this product
	Easy CD Creator Basic/ Adaptec	5.1	Yes		√					√			Supported by LOB	
	Easy CD Creator Basic/ Roxio Inc	6.2	Yes			√				√				
	Easy CD Creator Platinum/ Adaptec	5.3.10	Yes		√					√			Supported by LOB	
	HP CD writer plus/ HP	3.x	Yes		√					√			Supported by LOB	
	HP Record Now/ HP	4.1	Yes				√					√	Client Installed	
	IcopyDVDs2/ IcopyDVDs2	2.2	Yes				√					√	Client Installed	
	Nero/Ahead Software	5.X	Yes		√					√			Supported by LOB	
	Nero/Ahead Software	6	Yes				√				√			
	PowerDVD/ CyberLink	4	Yes		√					√			Supported by LOB	
Media Player / Editor														
	CAMTASIA RECORDER/ TechSmith	2.1	Yes		√					√			Supported by LOB	
	CAMTASIA PRODUCER/ TechSmith	2.2	Yes		√					√			Supported by LOB	
	CAMTASIA PLAYER/ TechSmith	2.3	No		√					√			Supported by LOB	
	Dubit/ TechSmith	2.0	No		√					√			Supported by LOB	
	Home Site/ MacroMedia	5.5	No				√					√	Client Installed	
	Flash Player/ MacroMedia	7	No			√				√				
	Quicktime/ Apple Computer Inc.	6.5	No			√				√				
	RealOne player/ RealNetworks	Pre v8	No		√					√			Supported by LOB	Can no longer get this product
	RealPlayer/ RealNetworks	8	No		√					√			Supported by LOB	
	RealPlayer/ RealNetworks	10	No			√				√				
	Shockwave/ MacroMedia	7	No		√					√			Supported by LOB	
	Shockwave/ MacroMedia	8	No		√					√			Supported by LOB	
	Shockwave/ MacroMedia	8.5	No			√				√				
	SoundMAX/ Analog Devices Inc	4.X	No		√					√			Supported by LOB	
	Windows Media Player/ MS Corporation	6.4	No		√					√			Supported by LOB	No longer supported by the manufacturer
	Windows Media Player/ MS Corporation	8	No			√				√				
	Windows Media Player/ MS Corporation	9 Series	No	√				√						
Monitoring Tools														
	Web Link Validator/ REL Software	3.5	No				√					√	Client Installed	
	Web Trends/ NetIQ Corporation	6.0	No		√					√			Supported by LOB	Can no longer buy this product
	Web Trends/ NetIQ Corporation	6.5	No		√					√			Supported by LOB	Can no longer buy this product
	Web Trends/ NetIQ Corporation	8.1	No				√					√	Client Installed	
	Usage Tracker/ Ambeo	3	No				√					√	Client Installed	
	What's up gold/ IpSwitch	8.0	No				√					√	Client Installed	
Optical Character Recognition (OCR)														
	HP Precision Scan Pro/ HP	3.02	Yes		√					√			Supported by LOB	
	Omnipage Pro/ Scansoft	9	Yes		√					√			Supported by LOB	Can no longer buy this product
	Omnipage Pro/ Scansoft	10	Yes		√					√			Supported by LOB	Can no longer buy this product
	Omnipage Pro/ Scansoft	11	Yes			√				√				
	Omnipage Pro/ Scansoft	12	Yes				√					√	Client Installed	
Office Suite(Word processor, Spreadsheet, Presentation Graphics)														
	Office 95/ MS Corporation	95	Yes		√					√			Supported by LOB	Can no longer buy this product
	Office97/ MS Corporation	Standard(8.0.X)	Yes		√					√			Supported by LOB	Can no longer buy this product

Function Category	Product Name/ Manufacturer	Product Version	Client Facing (Yes/No)	IBM Technical Support				IBM Deployment Method					Client or Province Support Level	Additional Notes
				Level 1 / Level 2	Level 1 (Script)	Limited Effort	None	Enterprise Images	Addon to Base	IMAC	Install Only	Buy / Ship		
	Office2000/ MS Corporation	Standard(9.0.X)	Yes			√				√				Can no longer buy this product
	OfficeXP/ MS Corporation	Standard(10.0.X)	Yes	√				√						
	Office2003/ MS Corporation	Standard(11.0.X)	Yes	√				√						
	Outlook 98 client/ MS Corporation	(8.5.X)	Yes		√					√			Supported by LOB	Can no longer buy this product
	Outlook 2000 client/ MS Corporation	(9.X)	Yes			√				√				Can no longer buy this product
	Outlook 2002 client/ MS Corporation	(10.0.X)	Yes	√				√						
	Outlook 2003 client/ MS Corporation	(11.0.X)	Yes	√				√						
PDA Software (all require a site visit to install HW/SW)														
	Active Sync/ Microsoft	3.5	No		√					√			Supported by LOB	
	Active Sync/ Microsoft	3.7.X	No			√				√				
	Blackberry Desktop Manager	3.x	No		√				√				Blackberry Enterprse Server Support for Remote Sync	
	Documents to Go/ DataViz	6.0 Premium	Yes		√					√			Supported by LOB	Can no longer buy this product
	DoctoGo/ DataViz	7.X	Yes				√				√			
	Hotsync Manager/ Palm Inc	4.X	No			√				√				
	Intellisync/ Intellisync Corporation	5.1.1 Handheld Edition	No			√				√				
	PocketMirror/ Chaptura	3.X	No		√					√			Supported by LOB	
	Pumatech intellisync/ Extended Systems inc	5.X	No		√					√			Supported by LOB	
	OneBridge/ Extended Systems Inc.	4.2	No		√					√			Supported by LOB	
PDF Management														
	Acrobat/ Adobe	Pre-6.0Standard	Yes			√				√				
	Acrobat Writer/ Abode	6	Yes	√					√					
	Acrobat Distiller/ Abode	6	Yes				√					√	Client Installed	
	AppendPDF/ Appligent	Pro 3.0	Yes		√					√			Supported by LOB	
	Corel Ventura/ Corel	10	Yes				√					√	Client Installed	
	MAPs2PDF/	2004	Yes		√					√			Supported by LOB	
PDF reader														
	After Effects/ Adobe Systems Incorporated	6	Yes				√					√	Client Installed	
	Type Manager Delux/ Adobe Systems Incorporated	4.X	Yes				√					√	Client Installed	
	Acrobat Reader/ Adobe Systems Incorporated	4.X	Yes	√							√			
	Acrobat Reader/ Adobe Systems Incorporated	5.1	Yes	√						√				
	Acrobat Reader/ Adobe Systems Incorporated	6	Yes	√				√						
Project Management														
	MS Project/ MS Corporation	98(7.0.x)	Yes		√					√			Supported by LOB	
	MS Project/ MS Corporation	2000 for Windows(8.0.X)	Yes		√					√			Supported by LOB	We want people to upgrade to the new version
	MS Project (Pro and Standard)/ MS Corporation	2002(9.0.X)	Yes			√				√				
	MS Project (Pro and Standard)/ MS Corporation	2003(10.0.X)	Yes			√				√				
	Project KickStart/ Technology Associates	3.2	Yes		√					√			Supported by LOB	http://www.techassoc.com/products/kickstart/kikstrt1.htm
	WBS Chart Pro/ Critical Tools Inc.	4.4	Yes		√					√			Supported by LOB	
Records Management														
	Content Manager for Multiplatforms/ IBM	7	Yes		√					√			Supported by LOB	
	eCapture/ Captovation Inc.	4	Yes		√					√			Supported by LOB	
	Image Plus/ IBM	2.3	Yes		√					√			Supported by LOB	Can no longer buy this product
	Lotus Notes/ IBM		Yes				√					√	Client Installed	
	Quest Records Management System/ Win-Pat holdings Ltd	6	Yes				√					√	Client Installed	
	4th Dimension Client/ 4D	2002	Yes				√				√			

Function Category	Product Name/ Manufacturer	Product Version	Client Facing (Yes/No)	IBM Technical Support				IBM Deployment Method					Client or Province Support Level	Additional Notes
				Level 1 / Level 2	Level 1 (Script)	Limited Effort	None	Enterprise Images	Addon to Base	IMAC	Install Only	Buy / Ship		
	TRIM (non-integrated)/	5.2	Yes				√				√			
	TRIM (integrated)/	5.2	Yes				√				√			
Statistical														
	CSS:Statistica/ StatSoft Inc	6.0 Base	Yes				√					√	Client Installed	
	Eviews/ Quantitative Micro Software	5	Yes				√					√	Client Installed	http://www.eviews.com/index.html
	EZ-Survey/ InsuraTek Corp	2004	Yes				√					√	Client Installed	http://www.insuratek.com/EZ-Survey.htm
	FastTrack/ ABC	6.2.1	Yes				√					√	Client Installed	
	MSTAT/ Michigan State University	4.01	Yes				√					√	Client Installed	http://mcardle.oncology.wisc.edu/mstat/
	SAS PSDS/ SAS Institute	8.2	Yes		√					√			Supported by LOB	Retiring product
	SAS/STAT/ SAS Institute Inc	9	Yes				√					√	Client Installed	
	SPSS/ SPSS Inc	10.0.X	Yes		√					√			Supported by LOB	Can no longer buy this product
	SPSS/ SPSS Inc	12	Yes				√					√	Client Installed	
	Surfer/ Golden Software	8	Yes				√					√	Client Installed	
	Systat/ SPSS Inc	7	Yes				√					√	Client Installed	
	Techneos System/ Entryware	4.0	Yes				√					√	Client Installed	
Terminal Emulation (Volume analysis needed here)														
	Exceed/ Hummingbird LTD	7.X	No		√					√			Supported by LOB	Can no longer buy this product
	Exceed/ Hummingbird LTD	9	No				√					√	Client Installed	
	Exceed/ Hummingbird LTD	10	No				√					√	Client Installed	
	EriCom/ PowerTerm Interconnect	5.1.2	No		√					√			Supported by LOB	
	Extra!/ Attachmate	6.x	No				√				√			
	Extra!/ Attachmate	7.0	No			√				√				
	Extra!/ Attachmate	Enterprise 2000	No		√					√			Supported by LOB	
	Hostexplorer/ Hummingbird Ltd	10	No				√					√	Client Installed	http://connectivity.hummingbird.com/home/connectivity.html?cks=y
	Keal For Win95 & NT/ Attachmate Corp	5.1	No		√					√			Supported by LOB	Can no longer buy this product
	myExtra Presentation Services/ Attachmate	7.11	No				√				√			
	OnNet Host Suite TNVT Plus/ FTP Software	5	No				√				√			
	Personal Communications (PCOMM)/ IBM	4.3	No				√				√			
	Personal Communications (PCOMM)/ IBM	5	No				√				√			
	Personal Communications (PCOMM)/ IBM	5.7	No			√				√				
	Putty SSH Client/ PuTTY	0.56	No		√					√			Supported by LOB	
	Rumba Office/ NetManage	2000	No			√				√				
	SecureNetTerm/ Intersoft International	5.2	No		√					√			Supported by LOB	
	SIMPC/ NetManage	Discontinued	No		√					√			Supported by LOB	http://www.netmanage.com/legacymigrations/index.asp
	SmarTerm/ Svam Software	9	No			√				√				
	Tera Term Pro/ Infoscience Corporation	2.3	No		√					√			Supported by LOB	
	View Now,/ Netmanage	1.0.5.2	No		√					√			Supported by LOB	
	WRQ/ Reflections	5.0	No		√					√			Supported by LOB	Can no longer buy this product
	WRQ/ Reflections	8.0.2	No		√					√			Supported by LOB	
Utility														
	Appligent Redax/ Appligent	2.5+	?		√					√			Supported by LOB	
	Cold Fusion/ Macromedia	5	No				√					√	Client Installed	
	CowBytes/ Alberta Agriculture	3	Yes		√					√			Supported by LOB	
	CowChip$/ Alberta Agriculture	3	Yes		√					√			Supported by LOB	
	Diskkeeper/ Exclusive Software	8	Yes		√					√			Supported by LOB	Not required as Desktops Defrag included in OS
	Dymo Label/ Esselte Ltd	Comes with label maker	Yes				√				√			Installed while onsite installing the label maker
	East Tec Disk Sanitizer/ East Technologies	1.0	No		√					√			Supported by LOB	Not required as disk sanitizing is with the Service Provider
	Hyena/ Systemtools Software	5	?				√					√	Client Installed	Server management tool

Function Category	Product Name/ Manufacturer	Product Version	Client Facing (Yes/No)	IBM Technical Support				IBM Deployment Method					Client or Province Support Level	Additional Notes
				Level 1 / Level 2	Level 1 (Script)	Limited Effort	None	Enterprise Images	Addon to Base	IMAC	Install Only	Buy / Ship		
	Insync/ Insync.COM	1.8	?				√					√	Client Installed	
	Ipro Scan-it/ IPRO Tech Inc.	1.X	Yes				√					√	Client Installed	
	Kedit/ Mansfield software group	1.5	No				√					√	Client Installed	www.kedit.com
	Kodak Picture Software/	1.X	Yes				√				√			http://www.kodak.com/global/en/service/downloads/dln00009fmp.jhtml
	LearnLinc/ Parsec Infotech	2.1.13.0	?		√					√			Supported by LOB	http://www.parsecinfo.nl/products/ilinc/learnlinc.htm
	Leica SkiPro/ Leica Geosystems	2.50	?				√					√	Client Installed	http://www.leica-geosystems.com
	Leica Spider/ Leica Geosystems	1.50	?				√					√	Client Installed	http://www.leica-geosystems.com
	Nikon View\ Nikon	6.x	Yes				√				√			http://www.dcviews.com/press/NikonView_60.htm
	Nvivo/ QSR International Pty Ltd	2	?		√					√			Supported by LOB	http://www.scolari.co.uk/frame.html?http://www.scolari.co.uk/qsr/qsr_nvivo.htm
	Partition magic/ Powerquest	7	No		√					√			Supported by LOB	http://www.powerquest.com/
	Pathfinder Office/ Trimble		?				√					√	Client Installed	http://www.trimble.com/pathfinderoffice.shtml
	PowerQuest Image Center/ PowerQuest	7.0	No		√					√			Supported by LOB	http://www.powerquest.com/
	RightFax/ Captaris		Yes		√					√			Supported by LOB	http://www.captaris.com/products_and_services/index.html
	Safeguard Easy/ Ultimaco Safeware	3	No		√					√			Supported by LOB	http://www.utimaco.com
	Symantec Client Security/ Symantec Corp.	1.1	No				√					√	Client Installed	
	SigmaScan Pro/ Systat	5.0	No		√					√			Supported by LOB	http://www.systat.com/products/SigmaScan/
	Systems Management Server/ MS Corporation	2.0	No			√				√				We want to retire this product
	Systems Management Server/ MS Corporation	2003	No	√				√						
	SmartBoard/ X2Net	8.1.0.20.06.52	No		√					√			Supported by LOB	http://www.x2net.com/smartboard/
	Teleforms/ Cardiff - Verity, Inc	v9	?				√					√	Client Installed	http://www.verity.com/products/teleform/index.html
	Trimble Geomatics Office/ Trimble		?		√					√			Supported by LOB	http://www.trimble.com/geomaticsoffice.html
	Winfax Pro/ Symantec	10	Yes		√					√			Supported by LOB	
	Woodlot/ Enfor	3.1	?		√					√			Supported by LOB	http://www.enfor.com/software/woodlot/
	XML Spy/ Alova	4.4	No		√					√			Supported by LOB	Old product version http://www.altova.com/products_ide.html
	XML Spy/ Alova	2004	No				√				√			http://www.altova.com/products_ide.html
Viewer														
	Beyond 20/20 viewer/ Beyond 20/20 Inc.	7	Yes		√					√			Supported by LOB	http://www.beyond2020.com
	Crystal Viewer/ Business Objects	9	Yes			√				√				
	Digv32/ U.S. Government	3.7 & Pro	Yes		√					√			Supported by LOB	
	ER Viewer/ Earth Resource Mapping	2.0x	Yes				√				√			http://www.ermapper.com/
	Folio Views/ NextPage Inc	4.3.1	Yes				√				√			
	Folio Views/ NextPage Inc	4.4	Yes			√				√				
	GeoExpress View/ ILS	1.0	Yes				√				√			http://www.lizardtech.com/solutions/
	Geomatica freviewer/ PCI Geomatics	9	Yes				√				√			
	Journal Viewer/ MS Corporation	1.5	Yes				√				√			
	MapInfo Pro Viewer/ MapInfo Corporation	6	Yes			√				√				
	Outlook Express Reader/ MS Corporation	5	Yes		√					√			Supported by LOB	
	Outlook Express News Reader/ MS Corporation	6	Yes				√				√			
	PowerPoint Viewer/ MS Corporation	97	Yes		√					√			Supported by LOB	
	Report2Web Viewer/ Redwood Software	2.6	Yes		√					√			Supported by LOB	http://www.redwood.com
	Visio Viewer/ MS Corporation	2002	Yes				√				√			
	Volo View Express/ AutoDesk	2.1	Yes		√					√			Supported by LOB	http://usa.autodesk.com/adsk/servlet/index?siteID=123112&id=837403
Virtual desktop client software (DTS)														
	ICA Client/ Citrix Systems Inc	4.0	No		√					√			Supported by LOB	Can no longer purchase this product
	ICA Client/ Citrix Systems Inc	6.X	No		√					√			Supported by LOB	We want to retire this product
	ICA Client/ Citrix Systems Inc	7.1	No	√				√						
	Citrix Managements Console FR2/ Citrix	2.2	No				√				√			Gives LOB staff the ability to shadow Citrix sessions
	Microsoft Telnet Client/ MS Corporation		No	√				√						Same as the OS

Function Category	Product Name/ Manufacturer	Product Version	Client Facing (Yes/No)	IBM Technical Support				IBM Deployment Method					Client or Province Support Level	Additional Notes
				Level 1 / Level 2	Level 1 (Script)	Limited Effort	None	Enterprise Images	Addon to Base	IMAC	Install Only	Buy / Ship		
	Remote Desktop Connector (RDC)/ MS Corporation	5.X	No				√				√			
	Terminal Services Client (RDP)/ MS Corporation	5.X	No				√				√			
	Virtual PC/ Microsoft	2004	No	√				√						to become the std
	VM Workstation / VM Ware	4.5.2	No				√					√	Client Installed	
Web Browser														
	Communicator & Navigator/ Netscape Communications Corp.	4.08 to 7.0	Yes		√					√			Supported by LOB	Can no longer buy this product
	Communicator & Navigator/ Netscape Communications Corp.	7.1	Yes			√				√				
	Internet Explorer/ MS Corporation	5.01	Yes		√					√			Supported by LOB	
	Internet Explorer/ MS Corporation	5.5	Yes			√				√				
	Internet Explorer/ MS Corporation	6	Yes	√				√						
	Mozilla/ FireFox	1.7.3	Yes		√					√			Supported by LOB	Unsupported software as it is freeware for an 'unlocked' user
Web Publishing														
	Authorware/ Macromedia	7	Yes		√					√			Supported by LOB	
	Contribute/ Macromedia	2.0 Full Version	Yes		√					√			Supported by LOB	
	DreamWeaver/ MarcoMedia	4.X	Yes		√					√			Supported by LOB	Can no longer buy this product
	DreamWeaver/ MarcoMedia	6	Yes				√				√			
	DreamWeaver/ MarcoMedia	MX2004	Yes				√					√	Client Installed	
	Extension Manager/ Macromedia	1.X	Yes		√					√			Supported by LOB	
	Flash MX 2004/ Macromedia	6	Yes				√					√	Client Installed	
	FrameMaker/ Adobe	7.1	Yes				√					√	Client Installed	
	Freehand/ MacroMedia	MX2004	Yes				√					√	Client Installed	
	FrontPage/ MS Corporation	98(3.0.X)	Yes		√					√			Supported by LOB	Can no longer buy this product
	FrontPage/ MS Corporation	2000(4.0.X)	Yes				√				√			Can no longer buy this product
	FrontPage/ MS Corporation	2002(10.0.X)	Yes				√				√			
	FrontPage/ MS Corporation	2002 (10.X) Professional	Yes				√					√	Client Installed	
	FrontPage/ MS Corporation	2003(11.0.X)	Yes			√				√				
	GoLive/ Adobe	CS	Yes				√					√	Client Installed	
	TopStyle Lite/ Bradbury Software	1, 2, and 3	Yes		√					√			Supported by LOB	
	XDK / Virtual Media	2002	Yes		√					√			Supported by LOB	
Other / Miscellaneous														
	Admin Studio Pro/ Installshield	3.01	Yes				√				√			Expected standard for package builds
	Arcana Scheduler/ Arcana Development	2.X	Yes		√					√			Supported by LOB	http://www.arcanadev.com/scheduler/resources.asp
	Aremos/ Global Insight'		Yes				√					√	Client Installed	http://www.globalinsight.com/ProductsServices/ProductDetail418.htm
	Automated Password Facility/ Courion		No	√				√						Provided through IBM? Will be Core?
	ATIP Suite/ Privasoft	1.0.4	?		√					√			Supported by LOB	
	AxTools/ CodeSMART	2001	No		√					√			Supported by LOB	Can no longer buy this product
	BestSeller PortFolio/ Biblio Mondo	v3	No		√					√			Supported by LOB	
	Boxer Text Editor/ Boxer Software	7	Yes				√					√	Client Installed	
	Brio/ Hyperion Solutions Corporation	6.14	Yes				√					√	Client Installed	http://www.hyperion.com/news_events/brio/
	CardScan/ Corex Technologies	V6	Yes		√					√			Supported by LOB	http://www.corex.com/products/
	Caseview/ Pacific Solutions International Ltd.	2.1	Yes		√					√			Supported by LOB	http://www.pacsol.co.uk/
	Caseware/ CaseWare International Inc.		Yes		√					√			Supported by LOB	http://www.caseware.com/
	CJK Partner/ TwinBridge	V6	?		√					√			Supported by LOB	http://www.twinbridge.com/
	Compaq Easy Access Button (EAB) software/ Compaq	3.X	No		√					√			Supported by LOB	Legacy hardware tool
	Content Manager/ IBM Corp.	7.1	Yes				√					√	Client Installed	Assumed developer tool
	CruiseComp/ JS Thrower and Associates	2004	Yes		√					√			Supported by LOB	

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				Level 1 / Level 2	Level 1 (Script)	Limited Effort	None	Enterprise Images	Addon to Base	IMAC	Install Only	Buy / Ship		
	Cygwin Bash Shell "Cygwin DLL"/ RedHat	1.5.X	No				√					√	Client Installed	Linux simulation on windows
	Dart/ DARTECH, Inc	Pro	No		√					√			Supported by LOB	http://www.dartpro.com
	Entrapass Access Control Software/ Kantech Systems Inc		No		√					√			Supported by LOB	http://kantech.com/products/software.aspx
	Ezlink/ Forsite Consultants Limited	1.X	Yes		√					√			Supported by LOB	www.ezilink.com
	FaxSr/ Omtool	5.42	Yes		√					√			Supported by LOB	
	GenoPro Gold/ GenoPro	1.71	No		√					√			Supported by LOB	http://www.genopro.com/
	GIMP/ The GIMP team	2.05	?		√					√			Supported by LOB	http://www.gimp.org/downloads/
	GS Tools/ GS Tools		No		√					√			Supported by LOB	http://www.gstools.de/modules/news/
	Harvard Graphics/ Harvard Graphics	4	Yes				√					√	Client Installed	http://www.harvardgraphics.com
	Homesite/ Macromedia	4	No		√					√			Supported by LOB	Can no longer buy this product
	Homesite/ Macromedia	5	No				√					√	Client Installed	
	Lccwin32/ Jacob Navia	2004	No				√					√	Client Installed	http://www.cs.virginia.edu/~lcc-win32/
	ImageStation Rastor Utilities/ Intergraph	4.x	?				√					√	Client Installed	http://imgssupport.intergraph.com/fixes.asp?ID=141&Family=photogrammetry
	ISYS/ ISYS Search Software		Yes		√					√			Supported by LOB	http://www.isysusa.com/
	Java Web Start/ Sun	1.X	No		√					√			Supported by LOB	http://java.sun.com/products/javawebstart/
	JTS, JCS, RoadMatcher/ the jump Project.org	1.X	No		√					√			Supported by LOB	http://www.jump-project.org/project.php?PID=RM&SID=OVER
	MediaFACE/ Fellowes	4.01	?		√					√			Supported by LOB	http://www.mediaface.com/
	Objecteering\ OMG	Enterprise Edition	?		√					√			Supported by LOB	http://www.objecteering.com/
	Office Powerl ActionPack/ Office powerl	Pro	?		√					√			Supported by LOB	
	OneBridge Desktop Connector/		?		√					√			Supported by LOB	
	Ora/ Ora	8.1	?		√					√			Supported by LOB	http://www.casos.cs.cmu.edu/projects/ora/software.html
	PDK Lite/ PDK Control Consulting Int'l Ltd	4.1	?		√					√			Supported by LOB	http://www.csa-pdk.com/index2.html
	PDK Voting/ PDK Control Consulting Int'l Ltd		No		√					√			Supported by LOB	http://www.csa-pdk.com/index2.html
	Perseus SurveySolutions for the Web/ Perseus	6	No		√					√			Supported by LOB	
	Perseus SurveySolutions Professional/ Perseus	Professional 4.0	No		√					√			Supported by LOB	Can no longer buy this product
	Perseus SurveySolutions Professional/ Perseus	5	No		√					√			Supported by LOB	
	PMOffice/ SystemCorp	Enterprise Edition	?				√					√	Client Installed	http://www.systemcorp.com/
	Privsoft/ ATIP.Image		?		√					√			Supported by LOB	http://www.Privsoft.com
	Power Archiver/ ConeXware Inc	2003 6.X	?		√					√			Supported by LOB	
	PS Query/ PeopleSoft	8.18	No		√					√			Supported by LOB	
	RoboHelp/ Ehelp Corporation	4.0	?		√					√			Supported by LOB	www.ehelp.com
	Quick Law/ LexisNexis	2004	No				√				√			http://www.lexisnexis.ca/ql/
	Scotland Yard/ Scotland Yard Software	2004	No		√					√			Supported by LOB	http://www.sysoftware.com/
	SigmaPlot/ SYSTAT Software Inc.	9	No		√					√			Supported by LOB	http://www.systat.com/products/SigmaPlot/
	SmartEiffel/	2.0	No		√					√			Supported by LOB	http://smarteiffel.loria.fr/
	S-Plus/ Insightful	6.0	No		√					√			Supported by LOB	http://www.insightful.com/products/splus/default.asp
	SVG/ Adobe	3.01	?		√					√			Supported by LOB	http://www.adobe.com/svg/viewer/install/main.html
	TaxWorks/ TaxWorks	2004	Yes		√					√			Supported by LOB	http://www.taxworks.com/Web04/
	Track-It!/ Blue Ocean Software	4.0	Yes		√					√			Supported by LOB	Can no longer buy this product
	TrackIt/ Intuit	6.0	Yes		√					√			Supported by LOB	Can no longer buy this product
	Track-It!/ Intuit	6.5	Yes		√					√			Supported by LOB	
	TeamTrack Administrator/ Serena	6.2	Yes				√					√	Client Installed	http://www.serena.com/Products/teamtrack/Home.asp
	Test Director/ Mercury Interactive	8	No				√					√	Client Installed	
	TraxTime/ Spud City Software	3.8	Yes		√					√			Supported by LOB	http://www.spudcity.com/traxtime/traxtime.htm
	Ultra Edit 32/ IDM Computer Solutions, Inc	10.X	No				√					√	Client Installed	http://www.ultraedit.com/index.php?name=Content&pa=showpage&pid=1
	ViewCompanion/ Software Companions	1.5	No		√					√			Supported by LOB	http://www.softwarecompanions.com/viewcomp.html
	ViewCompanion/ Software Companions	2.5.X	No		√					√			Supported by LOB	http://www.softwarecompanions.com/viewcomp.html

Function Category	Product Name/ Manufacturer	Product Version	Client Facing (Yes/No)	IBM Technical Support				IBM Deployment Method					Client or Province Support Level	Additional Notes
				Level 1 / Level 2	Level 1 (Script)	Limited Effort	None	Enterprise Images	Addon to Base	IMAC	Install Only	Buy / Ship		
	ViewCompanion/ Software Companions	2000	No		√					√			Supported by LOB	http://www.softwarecompanions.com/viewcomp.html
	Visual Staff Scheduler/ Atlas Business Solutions	5	Yes		√					√			Supported by LOB	http://www.abs-usa.com/
	VisualAge® Generator/ IBM	v1.2.0	Yes				√					√	Client Installed	Developer tool
	WinCVS/ SourceForge	1.3	No		√					√			Supported by LOB	http://www.wincvs.org/
	WinToPo/ SoftSoft	Pro	No				√					√	Client Installed	http://homepage.ntlworld.com/heatons/softsoft/wintopo/index.htm
	Who's in/ Hudson Software	2003	Yes		√					√			Supported by LOB	http://www.hudsoft.com/index.html
Application Development														
	Aion/ Cleverpath Computer	8.1	No		√					√			Supported by LOB	Can no longer buy this product
	Aion/ Cleverpath Computer	9.5	No				√					√	Client Installed	
	APEX True DBGrid / ComponentOne LLC	Pro 6.0	No				√					√	Client Installed	
	APL 2000/ APL 2000 Inc.	4 - full client	No				√					√	Client Installed	
	Beyond 20/20 Builder/ Beyond 20/20 Inc	7	No				√					√	Client Installed	http://www.beyond2020.com
	C++Builder/ Borland Delphi	(Professional) 6	No		√					√			Supported by LOB	Can no longer buy this product
	C++Builder Borland Delphi	(Enterprise Edition) 7	No				√					√	Client Installed	
	Business Analyst 2020/ Powerstart	2001	No				√					√	Client Installed	
	CA-Clipper/ GrafX Software Development Tools	5.3	No				√					√	Client Installed	
	Delphi/ Borland	5	No				√					√	Client Installed	
	Edit Plus/ EX Computing	2.11	No				√					√	Client Installed	
	EditPad/ Jan Goyvaerts	7	No				√					√	Client Installed	
	ErWin 4/ Computer Associates	4	No				√					√	Client Installed	
	Formatter Plus/ Quest Software	V1.4	No				√					√	Client Installed	
	Golden32/ Benthic Software	5.7	No				√					√	Client Installed	
	HDK 3.6/ Virtual Media Technology	3.6	No				√					√	Client Installed	
	Harvest AllFusion (CA)/ Computer Associates	5.11	No				√					√	Client Installed	
	Home Site/ Macromedia	5.5	No				√					√	Client Installed	
	Internet Developer Suite/ Oracle	9i	No				√					√	Client Installed	
	Instance Monitory/ Quest	1.0c	No				√					√	Client Installed	
	Open Programming Language/ OPL		No				√					√	Client Installed	
	OPL Development Environment (ODE)		No				√					√	Client Installed	
	Oracle Designer/ Oracle Corporation	6i	No		√					√			Supported by LOB	Can no longer buy this product
	Oracle Designer/ Oracle Corporation	9i	No				√					√	Client Installed	
	Oracle Developer Designer 2000/ Oracle Corporation	2000	No				√					√	Client Installed	
	Oracle Forms Developer/ Oracle Corporation	4.5	No		√					√			Supported by LOB	Can no longer buy this product
	Oracle Forms Developer/ Oracle Corporation	6i	No		√					√			Supported by LOB	Can no longer buy this product
	Oracle Forms Developer/ Oracle Corporation	9i	No				√					√	Client Installed	
	Oracle Jdeveloper/ Oracle Corporation	10g	No				√					√	Client Installed	
	Oracle Workflow Builder/ Oracle Corporation	2.6	No				√					√	Client Installed	
	Jbuilder/ Borland	10	No				√					√	Client Installed	www.borland.com
	MS Visual Source Safe/ MS Corporation	6	No				√					√	Client Installed	
	PERL/ O'Reilly	Any	No				√					√	Client Installed	
	PL/SQL Developer/ Allround Automations	5.X	No				√					√	Client Installed	
	Space Manager/ Quest	3.31	No				√					√	Client Installed	
	SpyWorks Pro/ Desaware Inc	6	No				√					√	Client Installed	
	SPF/ SourceEdit	4	No				√					√	Client Installed	
	SQL Navigator standard/ Quest Software inc	3.2	No		√					√			Supported by LOB	Can no longer buy this product
	SQL Navigator standard/ Quest Software inc	3.5	No		√					√			Supported by LOB	Can no longer buy this product
	SQL Navigator standard/ Quest Software inc	4.4	No				√					√	Client Installed	
	TextPad/ Helios Software Solutions	4.5	No		√					√			Supported by LOB	Can no longer buy this product
	TextPad/ Helios Software Solutions	4.7	No				√					√	Client Installed	
	Tracker PCVS/ Merant	7	No		√					√			Supported by LOB	Can no longer buy this product
	Tracker PCVS/ Merant	8	No				√					√	Client Installed	

Function Category	Product Name/ Manufacturer	Product Version	Client Facing (Yes/No)	IBM Technical Support				IBM Deployment Method					Client or Province Support Level	Additional Notes
				Level 1 / Level 2	Level 1 (Script)	Limited Effort	None	Enterprise Images	Addon to Base	IMAC	Install Only	Buy / Ship		
	Toad/ Quest Software Inc	6.3.X	No		√					√			Supported by LOB	Can no longer buy this product
	Toad/ Quest Software Inc	7.6	No				√					√	Client Installed	
	Ultra Edit32/ IDM Computer Solutions	10.1	No				√					√	Client Installed	
	VIM Editor/ RPM	6.2	No				√					√	Client Installed	
	Visible Analyst/ Visible Systems Corp	7.6	No				√					√	Client Installed	
	Visual Basic/ MS Corporation	6	No				√					√	Client Installed	
	Visual Basic/ MS Corporation	6 Professional	No				√					√	Client Installed	
	Visual Basic .Net/ MS Corporation	2003	No				√					√	Client Installed	
	Visual Basic .Net/ MS Corporation	2003 Professional	No				√					√	Client Installed	
	Visual C++/ MS Corporation	6	No				√					√	Client Installed	
	Visual C++ .Net/ MS Corporation	2003	No				√					√	Client Installed	
	Visual Studio Professional/ MS Corporation	6 Professional	No				√					√	Client Installed	
	Visual Studio.Net/ MS Corporation	.Net	No				√					√	Client Installed	
Security														
	Entrust Entelligence/ Entrust	5.0	No		√					√			Supported by LOB	Can no longer buy this product
	Entrust Entelligence/ Entrust	6.0	No		√					√			Supported by LOB	http://www.entrust.com/entelligence/
	iKey 2000 Series Software	4.7	No				√				√			
	Security Explorer/ Small Wonders Software	4	No		√					√			Supported by LOB	
	Symantec Client Firewall/ Symantec	5	No		√					√			Supported by LOB	Can no longer buy this product
	Symantec System Center/ Symantec	5	No		√					√			Supported by LOB	Can no longer buy this product
	Symantec System Center/ Symantec	8	No				√					√	Client Installed	

Function Category	Product Name/ Manufacturer	Product Version	Support Level	Reference Site/Notes
Operating System	Windows 98 Workstation/ MS Corporation		LOB Support	Can no longer buy this product
	Windows NT Workstation/ MS Corporation	4.0	LOB Support	Can no longer buy this product
	Windows/ MS Corporation	2000 Professional	Limited Effort	Product will be transitioned out
	Windows/ MS Corporation	XP Professional	Full	
Operating System "Thin Client"	Blazer/ Wyse	All	LOB Support	
	Windows CE/ MS Corporation	2.X	LOB Support	
	Windows CE.net/ MS Corporation	4.X	Full	
	Windows XPe (embedded XP)/ MS Corporation	v2.1	Limited Effort	
Access Remote Server	Dameware Mini remote Control/ DreamWare Development	3.74	Buy/Ship	
	PCAnywhere/ Symantec Corporation	9	LOB Support	Can no longer buy this product
	PCAnywhere/ Symantec Corporation	10.5	Install Only	Can no longer buy this product
	PCAnywhere/ Symantec Corporation	11	Buy/Ship	
	RAS as part of Windows2000/ MS Corporation	Professional	LOB Support	
	RAS as part of WindowsXP/ MS Corporation	Professional	Install Only	
	VNC/ Virtual Network Computing	3.3.7	LOB Support	
	VNC/ Virtual Network Computing	V4	LOB Support	

Access Virtual Private Network (VPN)	Cisco VPN/ Cisco	4.0.X	Full	This is the target product and n+1 right now
	Extranet Access Client (from CITS)/ Bay Networks	2.X	LOB Support	We want to retire this product
	VPN Client/ Nortel	3.7	LOB Support	
	VPN Client/ Nortel	4.X	Limited Effort	
Access Video Conferencing	Net Meeting/ MS Corporation	3.X	LOB Support	High volume install product (14.5K) but not known if V3 or V4
	Net Meeting as part of IE/ MS Corporation	4.x	Install Only	Included in OS/IE
Anti-Virus	Norton AntiVirus Corporate Ed./ Symantec Corporation	7.X	LOB Support	We want to retire this product
	Symantec AntiVirus Corporate Ed./ Symantec Corporation	8.X	Limited Effort	We want to retire this current CORE product
	Symantec AntiVirus Corporate Ed./ Symantec Corporation	9	Full	
Application Development	The application Development category (and related SW,) has been moved to the end of the list.			
Assistive Tech SW	Duxbury for Windows/ Freedom Scientific	10.X	Buy/Ship	http://www.freedomofspeech.com/duxforwin.html (braille translation)
	JAWS/ Freedom Scientific	5	Buy/Ship	http://www.freedomscientific.com/fs_products/software_jaws.asp (voice synthesiser)
	Mavis Beacon Teaches Typing/ Riverdeep Interactive Learning	15	Install Only	Typing tutor used by multiple Ministries - the new standard
	Naturally Speaking Pro/ Scansoft	Pre v 7	LOB Support	Can no longer buy this product

	Naturally Speaking Pro/ Scansoft	7	Buy/Ship	
	OpenBook/ Freedom Scientific	6	Buy/Ship	
	TapDance/ Unit 1& 2	1,2	LOB Support	
	TapDance/ Timed Test	1,3	LOB Support	
	Typing Master/ TypingMaster	2003(V3.X)	LOB Support	
	UltraKey - Typing Tutor/ Bytes of Learning	4	LOB Support	
	Zoom Text/ Ai Squared	8.1	Buy/Ship	
Contact Management	Maximizer/ Multiactive	5.X	LOB Support	Would like to retire this package and upgrade folks to V7
	Maximizer/ Maximizer Software inc	7	Install Only	
Data Logger	Boxcar/ Onset Computer Corporation	3.7	Buy/Ship	
Database access client	Bridgetrak/ Kemma Software	5.5	Buy/Ship	
	Clientele Conductor 7.3/ Epicor Software Corp.	7.3	LOB Support	
	Clientele HelpDesk 7.3 Application and Database/ Epicor Software Corp.	7.3	LOB Support	
	Clientele HelpDesk Loader 7.3/Ctelwin	7.3	LOB Support	
	Clientele Migration Tools 7.3/ Epicor Software Corp.	7.3	LOB Support	
	Db Searchworks/ InMagic	4.0x	LOB Support	
	Heat (service Desk)/ Front Range Solutions	6.X	LOB Support	
	Forte for Java/ Sun Microsystems	4.0 CE	LOB Support	

	Java Virtual Machine/ MS Corporation	5.0	Full	included in OS support
	Java Runtime Edition/ Sun Microsystems	1.2	Install Only	
	Java Runtime Edition/ Sun Microsystems	1.3.1_02	Limited Effort	Used for Time OnLine
	Java 2 Runtime Edition/ Sun Microsystems	1.3.1_04	Install Only	
	Java 2 Runtime Edition/ Sun Microsystems	1.3.1_06	Install Only	
	Java 2 Runtime Edition/ Sun Microsystems	1.3.1_09	Install Only	
	Java Runtime Edition/ Sun Microsystems	1.4.x	Full	
	Jinitiator/ Oracle Corporation	1.1.7.18	Install Only	
	Jinitiator/ Oracle Corporation	1.1.8.7	Install Only	
	Jinitiator/ Oracle Corporation	1.1.8.16	Full	
	Jinitiator/ Oracle Corporation	1.4.1.x	Install Only	
	Microsoft Data Access Components (MDAC)/ MS Corporation	2.8	LOB Support	
	Microsoft Data Engine - MSDE/ MS Corporation		LOB Support	
	Oracle Client/ Oracle Corporation	8	Install Only	
	Oracle Client/ Oracle Corporation	9i	Install Only	
	Oracle SQL client for windows/ Oracle Corporation	7.X	Install Only	
	Oracle SQL client for windows/ Oracle Corporation	8i(8.1.6 & 8.1.7)	Install Only	
	Oracle SQL client for windows/ Oracle	9i	Install Only	
	Peregrine AssetCenter/ Peregrine Systems	4.2	Install Only	Part of IBM solution to integrate LOB Helpdesks

	Peregrine ServiceCenter/ Peregrine Systems	5	Install Only	Part of IBM solution to integrate LOB Helpdesks
	Remedy Action Request System/ BMC Software Inc	4.X	Install Only	Part of CITS CAP service
Database management system	DB2 Connect/ IBM	Personal Eddition	Buy/Ship	
	dBASE/ Borland	V & IV	Buy/Ship	
	Filemaker/ Filemaker Inc	4.x	LOB Support	Can no longer buy this product
	Filemaker/ Filemaker Inc	Pro 6.0	Buy/Ship	
	Lotus Approach/ IBM	97	LOB Support	Can no longer buy this product
	Lotus Approach/ IBM	9.8 (part of SmartSuite)	LOB Support	Can no longer buy this product
	Lotus Approach/ IBM	Millennium edition	LOB Support	Can no longer buy this product?
	Microsoft Foxpro/ MS corporation	2.5a	LOB Support	Can no longer buy this product
	Visual Foxpro/ MS Corporation	6	LOB Support	Can no longer buy this product
	Visual Foxpro/ MS Corporation	7	LOB Support	
	Visual Foxpro/ MS Corporation	8	Buy/Ship	
	Access/ MS Corporation	97 sr2(7.0)	LOB Support	Can no longer buy this product
	Access/ MS Corporation	2000(9.0)	Limited Effort	Can no longer buy this product
	Access/ MS Corporation	2002(10.0)	Full	
	Access/ MS Corporation	2003(11.0)	Buy/Ship	
	Remedy Administrator/ BMC Software Inc	2.X	LOB Support	

Database Report Writer	ACL for Windows Version 7/ ACL Services Limited	7.2.1	LOB Support	
	Cognos Business Intelligence/ Cognos	7	Buy/Ship	
	Cognos DecisionStream/ Cognos	7	Buy/Ship	
	Cognos EP Series 7/ Cognos	7	Buy/Ship	
	Cognos Series 7 Version 2/ Cognos	2	Buy/Ship	
	Crystal Reports/ Business Objects	6	LOB Support	Can no longer buy this product
	Crystal Reports/ Business Objects	7	LOB Support	Can no longer buy this product
	Crystal Reports/ Business Objects	8.1	LOB Support	Can no longer buy this product
	Crystal Reports/ Business Objects	8.5	LOB Support	Can no longer buy this product
	Crystal Reports/ Business Objects	9.0 Standard	Limited Effort	
	Crystal Reports/ Business Objects	9.0 Pro	Limited Effort	
	Impromptu/ COGNOS	3.5	LOB Support	Can no longer buy this product
	Impromptu/ COGNOS	7	Limited Effort	
	Discoverer client/ Oracle Corporation	3	LOB Support	Can no longer buy this product
	Discoverer client/ Oracle Corporation	4	Limited Effort	
	Discoverer client/ Oracle Corporation	10g	Buy/Ship	
	Microfocus/ Microfocus Inc.	2.5	LOB Support	
	Microstrategy / Microstrategy Corp.	7.2.4	LOB Support	
Desktop Publishing	Fireworks/ Macromedia	MX2004	Buy/Ship	

	Hallogram/ Formstool	4	LOB Support	
	HyperSnap/ Hyperionics Technology	DX 4 and DX 5	LOB Support	http://www.hyperionics.com/
	Informed Filler/ FileNet Corp (formerly Shana)	3.0.5	Install Only	CITS standard product
	PageMaker/ Adobe	6.5	LOB Support	
	PageMaker/ Adobe	7	Install Only	
	PageMill/ Adobe	3.01	Buy/Ship	
	The Print Shop/ Broderbund	20	Buy/Ship	http://www.broderbund.com
	Publisher/ MS Corporation	98	LOB Support	
	Publisher/ MS Corporation	6	LOB Support	
	Publisher/ MS Corporation	2000(9.0)	LOB Support	
	Publisher/ MS Corporation	2002(10.0)	Install Only	
	Publisher/ MS Corporation	2003(11.0)	Buy/Ship	
	Binder 97/ MS Corporation	97	LOB Support	
	Quark Xpress/ Quark Inc	6	Buy/Ship	
	Smartlabel For Windows/ Seiko Instruments USA Inc	4.61	Install Only	
	SNAGIT/ TechSmith	5.5	LOB Support	Can no longer buy this product
	SNAGIT/ TechSmith	6.X	LOB Support	Can no longer buy this product
	SNAGIT/ TechSmith	7	Install Only	
	Ventrua Publisher/ Corel Corp	10	Buy/Ship	
Drawing	AutoCAD/ Autodesk	2000i	LOB Support	Can no longer buy this product

	AutoCAD/ Autodesk	2004	Buy/Ship	
	AutoCAD/ Autodesk	2005	Buy/Ship	
	AutoCAD lite/ Autodesk	2002	LOB Support	
	AutoCAD/ Map2000	2000	LOB Support	
	AutoSketch/ Autodesk	8	Buy/Ship	
	CorelDraw/ Corel	8	LOB Support	Can no longer buy this product
	CorelDraw/ Corel	12	Buy/Ship	
	Enterprise Architect/ Sparx Systems	4.x	LOB Support	Can no longer buy this product
	Microsoft Draw/ MS Corporation	98	LOB Support	Can no longer buy this product
	Organization Chart/ Banner Blue Software	2.X	LOB Support	Can no longer buy this product
	Org Plus/ Banner Blue Software	3.01	Install Only	
	OrgPlus/ Human Concepts	4.0 Standard	Limited Effort	
	ViewCompanion/ Software Companions	1.5	LOB Support	
	Visio/ MS Corporation	5 Standard	LOB Support	Can no longer buy this product
	Visio/ MS Corporation	2000 (6.x)(Pro and Standard)	LOB Support	We want people to upgrade to the 2002 product level
	Visio/ MS Corporation	2002(10.X) Standard	Limited Effort	
	Visio/ MS Corporation	2002(10.X)Professional	Limited Effort	
	Visio/ MS Corporation	2003(11.X)Pro and Standard)	Buy/Ship	
	WBS Chart Pro/ Critical Tools Inc	4.4	LOB Support	
File Remote Transfer	CuteFTP Pro/ Globalscape	3	LOB Support	
	CuteFTP Pro/ Globalscape	6	LOB Support	

	FTP Explorer/ WinPlanet	1	LOB Support	
	F-Secure SSH Client/ F-Secure	5.3	LOB Support	
	Internet Explorer/ MS Corporation	5.5	Limited Effort	
	Internet Explorer/ MS Corporation	6	Full	
	Internet Neighborhood/ KnowWare	5.45	LOB Support	
	OnNet Host Suite File Transfer/ FTP Software	5	LOB Support	
	WS-FTP Pro/ Ipswitch	8	Buy/Ship	
File Compression and Decompression	PKZIP/ PKWare	Pre 8.0	LOB Support	
	Winzip/ Nico Mak	8.X	Install Only	
	Winzip/ Nico Mak	9.X	Limited Effort	
	Winzip Self Extract/ Nico Mak	2.2	Install Only	
	Windows XP/ MS Corporation	Professional	Full	
Financial	Audit Control Language/ ACD Systems	8	LOB Support	
	QuickBooks 2002/ Intuit Canada Ltd.	2002	LOB Support	Can no longer buy this product
	Quicken/ Intuit Inc	2004 Delux	LOB Support	
	Simply Accounting/ AccPac International	8	LOB Support	Can no longer buy this product
	Simply Accounting/ AccPac International	2004, Basic and Pro	LOB Support	
Image Management	ACDSee/ ACDSee Systems Inc	4	LOB Support	Can no longer buy this product
	ACDSee/ ACDSee Systems Inc	5	LOB Support	Can no longer buy this product

	ACDSee/ ACDSee Systems Inc	6	Buy/Ship	
	ACDSee PowerPack/ ACDSee Systems Inc	6	LOB Support	
	After Effects/ Adobe Systems Incorporated	6	LOB Support	
	Canon Utilities PhotoStitch	3.1	LOB Support	
	CorelDraw Graphics Suite/ Corel	8	LOB Support	Can no longer buy this product
	CorelDraw Graphics Suite/ Corel	10	LOB Support	
	CorelDraw Graphics Suite/ Corel	11	Install Only	
	CorelDraw Graphics Suite/ Corel	12	Buy/Ship	
	Illustrator/ Adobe	9	LOB Support	Can no longer buy this product
	Illustrator/ Adobe	10	Buy/Ship	
	Image Composer/ MS Corporation	1.5	Buy/Ship	
	Lview pro/ Lview	3.75	LOB Support	
	Paint Shop Pro/ Jasc Software	7	LOB Support	Can no longer buy this product
	Paint Shop Pro/ Jasc Software	8	Install Only	
	Photo Delux/ Adobe Systems Inc	2	LOB Support	Can no longer buy this product
	Photo Delux/ Adobe Systems Inc	3.1	Buy/Ship	
	PhotoEditor/ MS Corporation	3	Buy/Ship	
	Photoshop Album/ Adobe Systems Inc	2.0 Starter Edition	Buy/Ship	
	Photoshop Elements/ Adobe Systems Inc	2	Buy/Ship	
	Photoshop / Adobe	5.5	LOB Support	Can no longer buy this product
	Photoshop/ Adobe	6	LOB Support	Can no longer buy this product

	Photoshop/ Adobe	7	Install Only	
	Photoshop/ Adobe	CS	Buy/Ship	
	Photoshop Pro/ Jasc Software	8	Buy/Ship	
	Premier/ Adobe Systems Incorporated	1.5	LOB Support	
	ZoomBrowser EX/ Canon Utilities	4.6	LOB Support	
Mapping (Volume work really needed here)	ArcExplorer/ ESRI	2	LOB Support	Can no longer buy this product
	ArcExplorer/ ESRI	3	LOB Support	Can no longer buy this product
	ArcExplorer/ ESRI	4	Buy/Ship	
	ArcInfo Desktop/ ESRI	8.X	LOB Support	We want to retire this product
	ArcInfo Desktop/ ESRI	9.X	Install Only	
	ArcView/ ESRI	3	LOB Support	Can no longer buy this product
	ArcView/ ESRI	3.2	LOB Support	Can no longer buy this product
	ArcView/ ESRI	8.X	Install Only	
	ArcGIS / ESRI	8.X	Buy/Ship	
	ArcGIS 3D Analyst/ ESRI	9	LOB Support	
	ArcGIS ArcObjects Developer Kit/ ESRI	8.3	LOB Support	
	Autodesk/ MapGuide	6.5	Buy/Ship	
	Microstation/ Bentley	95	LOB Support	
	Microstation/ Bentley	8	LOB Support	

	FME/ Safe Software	2004	Buy/Ship	
	Geomedia/ Intergraph Mapping and Geospatial Solutions	5.1	LOB Support	
	GPS Datamanager/ Lowrance Electronics Inc	3.1	Buy/Ship	
	GPS Pathfinder/ Trimble	2.90	Buy/Ship	
	GPSU/ GPS Utility Ltd.	4.04.6	Buy/Ship	
	ImageStation/ Zeiss-Intergraph	Z/I	Buy/Ship	
	Ion Server RSI IDL / RSI Research Systems Inc.	6.1	Buy/Ship	
	MapSource/ Garmin Ltd.	5.x	Buy/Ship	
	Manifold/ CDA International Ltd.	6	Buy/Ship	
	Mapinfo Pro/ Mapinfo Corporation	5.5	LOB Support	Can no longer buy this product
	Mapinfo Pro/ Mapinfo Corporation	6.5	LOB Support	
	Mapinfo Pro/ Mapinfo Corporation	7.x	Buy/Ship	
	Mapinfo Vertical Mapper/ Mapinfo Corporation	V2.5	LOB Support	
	Mapinfo Vertical Mapper/ Mapinfo Corporation	V3	Buy/Ship	
	Maps3D/ Mapinfo Corporation	2.5	LOB Support	
	Maps3D/ Mapinfo Corporation	3.0	Buy/Ship	
	MrSID GeoViewer/	2.1	Buy/Ship	
	Nobeltec Visual Navigation	6.5.616	Buy/Ship	
	OziExplorer/ OziExplorer	3.x	Buy/Ship	
	Powerscope/ MicroStation	7.x	Buy/Ship	
	ProMiles Mileage Guide/ PSDC	10	Buy/Ship	
	Surfer 8/ Golden Software	8	Buy/Ship	

	Strater/ Golden Software	1.X	Buy/Ship	
	Streets & Trips/ Microsoft	11.0	Buy/Ship	
	QuikMap/ Dynamic Survey Solutions	2004	Buy/Ship	
Media Creation	B's Recorder Gold/ Sony Electronics Inc.	1.x	LOB Support	
	Easy Capture/ Easy Soft	1.x	LOB Support	
	Easy CD Creator Basic/ Adaptec	4	LOB Support	Can no longer buy this product
	Easy CD Creator Basic/ Adaptec	5.1	LOB Support	
	Easy CD Creator Basic/ Roxio Inc	6.2	Limited Effort	
	Easy CD Creator Platinum/ Adaptec	5.3.10	LOB Support	
	HP CD writer plus/ HP	3.x	LOB Support	
	HP Record Now/ HP	4.1	Buy/Ship	
	IcopyDVDs2/ IcopyDVDs2	2.2	Buy/Ship	
	Nero/Ahead Software	5.X	LOB Support	
	Nero/Ahead Software	6	Install Only	
	PowerDVD/ CyberLink	4	LOB Support	
Media Player / Editor	CAMTASIA RECORDER/ TechSmith	2.1	LOB Support	
	CAMTASIA PRODUCER/ TechSmith	2.2	LOB Support	
	CAMTASIA PLAYER/ TechSmith	2.3	LOB Support	
	Dubit/ TechSmith	2.0	LOB Support	
	Home Site/ MacroMedia	5.5	Buy/Ship	
	Flash Player/ MacroMedia	7	Limited Effort	

	Quicktime/ Apple Computer Inc.	6.5	Limited Effort	
	RealOne player/ RealNetworks	Pre v8	LOB Support	Can no longer get this product
	RealPlayer/ RealNetworks	8	LOB Support	
	RealPlayer/ RealNetworks	10	Limited Effort	
	Shockwave/ MacroMedia	7	LOB Support	
	Shockwave/ MacroMedia	8	LOB Support	
	Shockwave/ MacroMedia	8.5	Limited Effort	
	SoundMAX/ Analog Devices Inc	4.X	LOB Support	
	Windows Media Player/ MS Corporation	6.4	LOB Support	No longer supported by the manufacturer
	Windows Media Player/ MS Corporation	8	Limited Effort	
	Windows Media Player/ MS Corporation	9 Series	Full	
Monitoring Tools	Web Link Validator/ REL Software	3.5	Buy/Ship	
	Web Trends/ NetIQ Corporation	6.0	LOB Support	Can no longer buy this product
	Web Trends/ NetIQ Corporation	6.5	LOB Support	Can no longer buy this product
	Web Trends/ NetIQ Corporation	8.1	Buy/Ship	
	Usage Tracker/ Ambeo	3	Buy/Ship	
	What's up gold/ IpSwitch	8.0	Buy/Ship	
Optical Character Recognition (OCR)	HP Precision Scan Pro/ HP	3.02	LOB Support	
	Omnipage Pro/ Scansoft	9	LOB Support	Can no longer buy this product
	Omnipage Pro/ Scansoft	10	LOB Support	Can no longer buy this product

	Omnipage Pro/ Scansoft	11	Limited Effort	
	Omnipage Pro/ Scansoft	12	Buy/Ship	
Office Suite(Word processor, Spreadsheet, Presentation Graphics)	Office 95/ MS Corporation	95	LOB Support	Can no longer buy this product
	Office97/ MS Corporation	Standard(8.0.X)	LOB Support	Can no longer buy this product
	Office2000/ MS Corporation	Standard(9.0.X)	Limited Effort	Can no longer buy this product
	OfficeXP/ MS Corporation	Standard(10.0.X)	Full	
	Office2003/ MS Corporation	Standard(11.0.X)	Full	
	Outlook 98 client/ MS Corporation	(8.5.X)	LOB Support	Can no longer buy this product
	Outlook 2000 client/ MS Corporation	(9.X)	Limited Effort	Can no longer buy this product
	Outlook 2002 client/ MS Corporation	(10.0.X)	Full	
	Outlook 2003 client/ MS Corporation	(11.0.X)	Full	
PDA Software (all require a site visit to install HW/SW)	Active Sync/ Microsoft	3.5	LOB Support	
	Active Sync/ Microsoft	3.7.X	Limited Effort	
	Blackberry Desktop Manager	3.x	Full	
	Documents to Go/ DataViz	6.0 Premium	LOB Support	Can no longer buy this product
	DoctoGo/ DataViz	7.X	Install Only	
	Hotsync Manager/ Palm Inc	4.X	Limited Effort	

	Intellisync/ Intellisync Corporation	5.1.1 Handheld Edition	Limited Effort	
	PocketMirror/ Chaptura	3.X	LOB Support	
	Pumatech intellisync/ Extended Systems inc	5.X	LOB Support	
	OneBridge/ Extended Systems Inc.	4.2	LOB Support	
PDF Management	Acrobat/ Adobe	Pre-6.0Standard	Install Only	
	Acrobat Writer/ Abode	6	Full	
	Acrobat Distiller/ Abode	6	Buy/Ship	
	AppendPDF/ Appligent	Pro 3.0	LOB Support	
	Corel Ventura/ Corel	10	Buy/Ship	
	MAPs2PDF/	2004	LOB Support	
PDF reader	After Effects/ Adobe Systems Incorporated	6	Buy/Ship	
	Type Manager Delux/ Adobe Systems Incorporated	4.X	Buy/Ship	
	Acrobat Reader/ Adobe Systems Incorporated	4.X	Install Only	
	Acrobat Reader/ Adobe Systems Incorporated	5.1	Limited Effort	
	Acrobat Reader/ Adobe Systems Incorporated	6	Full	
Project Management	MS Project/ MS Corporation	98(7.0.x)	LOB Support	

	MS Project/ MS Corporation	2000 for Windows(8.0.X)	LOB Support	We want people to upgrade to the new version
	MS Project (Pro and Standard)/ MS Corporation	2002(9.0.X)	Limited Effort	
	MS Project (Pro and Standard)/ MS Corporation	2003(10.0.X)	Limited Effort	
	Project KickStart/ Technology Associates	3.2	LOB Support	http://www.techassoc.com/products/kickstart/kikstrt1.htm
	WBS Chart Pro/ Critical Tools Inc.	4.4	LOB Support	
Records Management	Content Manager for Multiplatforms/ IBM	7	LOB Support	
	eCapture/ Captovation Inc.	4	LOB Support	
	Image Plus/ IBM	2.3	LOB Support	Can no longer buy this product
	Lotus Notes/ IBM		Buy/Ship	
	Quest Records Management System/ Win-Pat holdings Ltd	6	Buy/Ship	
	4th Dimension Client/ 4D	2002	Install Only	
	TRIM (non-integrated)/	5.2	Install Only	
	TRIM (integrated)/	5.2	Install Only	
Statistical	CSS:Statistica/ StatSoft Inc	6.0 Base	Buy/Ship	
	Eviews/ Quantitative Micro Software	5	Buy/Ship	http://www.eviews.com/index.html
	EZ-Survey/ InsuraTek Corp	2004	Buy/Ship	http://www.insuratek.com/EZ-Survey.htm
	FastTrack/ ABC	6.2.1	Buy/Ship	

	MSTAT/ Michigan State University	4.01	Buy/Ship	http://mcardle.oncology.wisc.edu/mstat/
	SAS PSDS/ SAS Institute	8.2	LOB Support	Retiring product
	SAS/STAT/ SAS Institute Inc	9	Buy/Ship	
	SPSS/ SPSS Inc	10.0.X	LOB Support	Can no longer buy this product
	SPSS/ SPSS Inc	12	Buy/Ship	
	Surfer/ Golden Software	8	Buy/Ship	
	Systat/ SPSS Inc	7	Buy/Ship	
	Techneos System/ Entryware	4.0	Buy/Ship	
Terminal Emulation (Volume analysis needed here)	Exceed/ Hummingbird LTD	7.X	LOB Support	Can no longer buy this product
	Exceed/ Hummingbird LTD	9	Buy/Ship	
	Exceed/ Hummingbird LTD	10	Buy/Ship	
	EriCom/ PowerTerm Interconnect	5.1.2	LOB Support	
	Extra!/ Attachmate	6.x	Install Only	
	Extra!/ Attachmate	7.0	Limited Effort	
	Extra!/ Attachmate	Enterprise 2000	LOB Support	
	Hostexplorer/ Hummingbird Ltd	10	Buy/Ship	http://connectivity.hummingbird.com/home/connectivity.html?cks=y
	Kea! For Win95 & NT/ Attachmate Corp	5.1	LOB Support	Can no longer buy this product
	myExtra Presentation Services/ Attachmate	7.11	Install Only	
	OnNet Host Suite TNVT Plus/ FTP Software	5	Install Only	

	Personal Communications (PCOMM)/ IBM	4.3	Install Only	
	Personal Communications (PCOMM)/ IBM	5	Install Only	
	Personal Communications (PCOMM)/ IBM	5.7	Limited Effort	
	Putty SSH Client/ PuTTY	0.56	LOB Support	
	Rumba Office/ NetManage	2000	Limited Effort	
	SecureNetTerm/ Intersoft International	5.2	LOB Support	
	SIMPC/ NetManage	Discontinued	LOB Support	http://www.netmanage.com/legacymigrations/index.asp
	SmarTerm/ Svam Software	9	Limited Effort	
	Tera Term Pro/ Infoscience Corporation	2.3	LOB Support	
	View Now,/ Netmanage	1.0.5.2	LOB Support	
	WRQ/ Reflections	5.0	LOB Support	Can no longer buy this product
	WRQ/ Reflections	8.0.2	LOB Support	
Utility	Appligent Redax/ Appligent	2.5+	LOB Support	
	Cold Fusion/ Macromedia	5	Buy/Ship	
	CowBytes/ Alberta Agriculture	3	LOB Support	
	CowChip$/ Alberta Agriculture	3	LOB Support	
	Diskkeeper/ Exclusive Software	8	LOB Support	Not required as Desktops Defrag included in OS
	Dymo Label/ Esselte Ltd	Comes with label maker	Install Only	Installed while onsite installing the label maker
	East Tec Disk Sanitizer/ East Technologies	1.0	LOB Support	Not required as disk sanitizing is with the Service Provider

	Hyena/ Systemtools Software	5	Buy/Ship	Server management tool
	Insync/ Insync.COM	1.8	Buy/Ship	
	Ipro Scan-it/ IPRO Tech Inc.	1.X	Buy/Ship	
	Kedit/ Mansfield software group	1.5	Buy/Ship	www.kedit.com
	Kodak Picture Software/	1.X	Install Only	http://www.kodak.com/global/en/service/downloads/dln00009fmp.jhtml
	LearnLinc/ Parsec Infotech	2.1.13.0	LOB Support	http://www.parsecinfo.nl/products/ilinc/learnlinc.htm
	Leica SkiPro/ Leica Geosystems	2.50	Buy/Ship	http://www.leica-geosystems.com
	Leica Spider/ Leica Geosystems	1.50	Buy/Ship	http://www.leica-geosystems.com
	Nikon View\ Nikon	6.x	Install Only	http://www.dcviews.com/press/NikonView_60.htm
	Nvivo/ QSR International Pty Ltd	2	LOB Support	http://www.scolari.co.uk/frame.html?http://www.scolari.co.uk/qsr/qsr_nvivo.htm
	Partition magic/ Powerquest	7	LOB Support	http://www.powerquest.com/
	Pathfinder Office/ Trimble		Buy/Ship	http://www.trimble.com/pathfinderoffice.shtml
	PowerQuest Image Center/ PowerQuest	7.0	LOB Support	http://www.powerquest.com/
	RightFax/ Captaris		LOB Support	http://www.captaris.com/products_and_services/index.html
	Safeguard Easy/ Ultimaco Safeware	3	LOB Support	http://www.utimaco.com
	Symantec Client Security/ Symantec Corp.	1.1	Buy/Ship	
	SigmaScan Pro/ Systat	5.0	LOB Support	http://www.systat.com/products/SigmaScan/
	Systems Management Server/ MS Corporation	2.0	Limited Effort	We want to retire this product
	Systems Management Server/ MS Corporation	2003	Full	

	SmartBoard/ X2Net	8.1.0.20.06.52	LOB Support	http://www.x2net.com/smartboard/
	Teleforms/ Cardiff - Verity, Inc	v9	Buy/Ship	http://www.verity.com/products/teleform/index.html
	Trimble Geomatics Office/ Trimble		LOB Support	http://www.trimble.com/geomaticsoffice.html
	Winfax Pro/ Symantec	10	LOB Support	
	Woodlot/ Enfor	3.1	LOB Support	http://www.enfor.com/software/woodlot/
	XML Spy/ Alova	4.4	LOB Support	Old product version http://www.altova.com/products_ide.html
	XML Spy/ Alova	2004	Install Only	http://www.altova.com/products_ide.html
Viewer	Beyond 20/20 viewer/ Beyond 20/20 Inc.	7	LOB Support	http://www.beyond2020.com
	Crystal Viewer/ Business Objects	9	Limited Effort	
	Dlgv32/ U.S. Government	3.7 & Pro	LOB Support	
	ER Viewer/ Earth Resource Mapping	2.0x	Install Only	http://www.ermapper.com/
	Folio Views/ NextPage Inc	4.3.1	Install Only	
	Folio Views/ NextPage Inc	4.4	Limited Effort	
	GeoExpress View/ ILS	1.0	Install Only	http://www.lizardtech.com/solutions/
	Geomatica freviewer/ PCI Geomatics	9	Install Only	
	Journal Viewer/ MS Corporation	1.5	Install Only	
	MapInfo Pro Viewer/ MapInfo Corporation	6	Limited Effort	
	Outlook Express Reader/ MS Corporation	5	LOB Support	
	Outlook Express News Reader/ MS Corporation	6	Install Only	
	PowerPoint Viewer/ MS Corporation	97	LOB Support	

	Report2Web Viewer/ Redwood Software	2.6	LOB Support	http://www.redwood.com
	Visio Viewer/ MS Corporation	2002	Install Only	
	Volo View Express/ AutoDesk	2.1	LOB Support	http://usa.autodesk.com/adsk/servlet/index?siteID=123112&id=837403
Virtual desktop client software (DTS)	ICA Client/ Citrix Systems Inc	4.0	LOB Support	Can no longer purchase this product
	ICA Client/ Citrix Systems Inc	6.X	LOB Support	We want to retire this product
	ICA Client/ Citrix Systems Inc	7.1	Full	
	Citrix Managements Console FR2/ Citrix	2.2	Install Only	Gives LOB staff the ability to shadow Citrix sessions
	Microsoft Telnet Client/ MS Corporation		Full	Same as the OS
	Remote Desktop Connector (RDC)/ MS Corporation	5.X	Install Only	
	Terminal Services Client (RDP)/ MS Corporation	5.X	Install Only	
	Virtual PC/ Microsoft	2004	Full	to become the std
	VM Workstation / VM Ware	4.5.2	Buy/Ship	
Web Browser	Communicator & Navigator/ Netscape Communications Corp.	4.08 to 7.0	LOB Support	Can no longer buy this product
	Communicator & Navigator/ Netscape Communications Corp.	7.1	Limited Effort	
	Internet Explorer/ MS Corporation	5.01	LOB Support	
	Internet Explorer/ MS Corporation	5.5	Limited Effort	

	Internet Explorer/ MS Corporation	6	Full	
	Mozilla/ FireFox	1.7.3	LOB Support	Unsupported software as it is freeware for an 'unlocked' user
Web Publishing	Authorware/ Macromedia	7	LOB Support	
	Contribute/ Macromedia	2.0 Full Version	LOB Support	
	DreamWeaver/ MarcoMedia	4.X	LOB Support	Can no longer buy this product
	DreamWeaver/ MarcoMedia	6	Install Only	
	DreamWeaver/ MarcoMedia	MX2004	Buy/Ship	
	Extension Manager/ Macromedia	1.X	LOB Support	
	Flash MX 2004/ Macromedia	6	Buy/Ship	
	FrameMaker/ Adobe	7.1	Buy/Ship	
	Freehand/ MacroMedia	MX2004	Buy/Ship	
	FrontPage/ MS Corporation	98(3.0.X)	LOB Support	Can no longer buy this product
	FrontPage/ MS Corporation	2000(4.0.X)	Install Only	Can no longer buy this product
	FrontPage/ MS Corporation	2002(10.0.X)	Install Only	
	FrontPage/ MS Corporation	2002 (10.X) Professional	Buy/Ship	
	FrontPage/ MS Corporation	2003(11.0.X)	Full	
	GoLive/ Adobe	CS	Buy/Ship	
	TopStyle Lite/ Bradbury Software	1, 2, and 3	LOB Support	
	XDK / Virtual Media	2002	LOB Support	
Other/ Miscellaneous	Admin Studio Pro/ Installshield	3.01	Install Only	Expected standard for package builds

	Arcana Scheduler/ Arcana Development	2.X	LOB Support	http://www.arcanadev.com/scheduler/resources.asp
	Aremos/ Global Insight'		Buy/Ship	http://www.globalinsight.com/ProductsServices/ProductDetail418.htm
	Automated Password Facility/ Courion		Full	Provided through IBM? Will be Core?
	ATIP Suite/ Privasoft	1.0.4	LOB Support	
	AxTools/ CodeSMART	2001	LOB Support	Can no longer buy this product
	BestSeller PortFolio/ Biblio Mondo	v3	LOB Support	
	Boxer Text Editor/ Boxer Software	7	Buy/Ship	
	Brio/ Hyperion Solutions Corporation	6.14	Buy/Ship	http://www.hyperion.com/news_events/brio/
	CardScan/ Corex Technologies	V6	LOB Support	http://www.corex.com/products/
	Caseview/ Pacific Solutions International Ltd.	2.1	LOB Support	http://www.pacsol.co.uk/
	Caseware/ CaseWare International Inc.		LOB Support	http://www.caseware.com/
	CJK Partner/ TwinBridge	V6	LOB Support	http://www.twinbridge.com/
	Compaq Easy Access Button (EAB) software/ Compaq	3.X	LOB Support	Legacy hardware tool
	Content Manager/ IBM Corp.	7.1	Buy/Ship	Assumed developer tool
	CruiseComp/ JS Thrower and Associates	2004	LOB Support	
	Cygwin Bash Shell "Cygwin DLL"/ RedHat	1.5.X	Buy/Ship	Linux simulation on windows
	Dart/ DARTECH, Inc	Pro	LOB Support	http://www.dartpro.com

	Entrapass Access Control Software/ Kantech Systems Inc		LOB Support	http://kantech.com/products/software.aspx
	Ezlink/ Forsite Consultants Limited	1.X	LOB Support	www.ezilink.com
	FaxSr/ Omtool	5.42	LOB Support	
	GenoPro Gold/ GenoPro	1.71	LOB Support	http://www.genopro.com/
	GIMP/ The GIMP team	2.05	LOB Support	http://www.gimp.org/downloads/
	GS Tools/ GS Tools		LOB Support	http://www.gstools.de/modules/news/
	Harvard Graphics/ Harvard Graphics	4	Buy/Ship	http://www.harvardgraphics.com
	Homesite/ Macromedia	4	LOB Support	Can no longer buy this product
	Homesite/ Macromedia	5	Buy/Ship	
	Lccwin32/ Jacob Navia	2004	Buy/Ship	http://www.cs.virginia.edu/~lcc-win32/
	ImageStation Rastor Utilities/ Intergraph	4.x	Buy/Ship	http://imgssupport.intergraph.com/fixes.asp?ID=141&Family=photogrammetry
	ISYS/ ISYS Search Software		LOB Support	http://www.isysusa.com/
	Java Web Start/ Sun	1.X	LOB Support	http://java.sun.com/products/javawebstart/
	JTS, JCS, RoadMatcher/ the jump Project.org	1.X	LOB Support	http://www.jump-project.org/project.php?PID=RM&SID=OVER
	MediaFACE/ Fellowes	4.01	LOB Support	http://www.mediaface.com/
	Objecteering\ OMG	Enterprise Edition	LOB Support	http://www.objecteering.com/
	Office Power! ActionPack/ Office power!	Pro	LOB Support	
	OneBridge Desktop Connector/		LOB Support	
	Ora/ Ora	8.1	LOB Support	http://www.casos.cs.cmu.edu/projects/ora/software.html

	PDK Lite/ PDK Control Consulting Int'l Ltd	4.1	LOB Support	http://www.csa-pdk.com/index2.html
	PDK Voting/ PDK Control Consulting Int'l Ltd		LOB Support	http://www.csa-pdk.com/index2.html
	Perseus SurveySolutions for the Web/ Perseus	6	LOB Support	
	Perseus SurveySolutions Professional/ Perseus	Professional 4.0	LOB Support	Can no longer buy this product
	Perseus SurveySolutions Professional/ Perseus	5	LOB Support	
	PMOffice/ SystemCorp	Enterprise Edition	Buy/Ship	http://www.systemcorp.com/
	Privsoft/ ATIP Image		LOB Support	http://www.Privsoft.com
	Power Archiver/ ConeXware Inc	2003 6.X	LOB Support	
	PS Query/ PeopleSoft	8.18	LOB Support	
	RoboHelp/ Ehelp Corporation	4.0	LOB Support	www.ehelp.com
	Quick Law/ LexisNexis	2004	Install Only	http://www.lexisnexis.ca/ql/
	Scotland Yard/ Scotland Yard Software	2004	LOB Support	http://www.sysoftware.com/
	SigmaPlot/ SYSTAT Software Inc.	9	LOB Support	http://www.systat.com/products/SigmaPlot/
	SmartEiffel/	2.0	LOB Support	http://smarteiffel.loria.fr/
	S-Plus/ Insightful	6.0	LOB Support	http://www.insightful.com/products/splus/default.asp
	SVG/ Adobe	3.01	LOB Support	http://www.adobe.com/svg/viewer/install/main.html
	TaxWorks/ TaxWorks	2004	LOB Support	http://www.taxworks.com/Web04/
	Track-It!/ Blue Ocean Software	4.0	LOB Support	Can no longer buy this product
	TrackIt/ Intuit	6.0	LOB Support	Can no longer buy this product

	Track-It!/ Intuit	6.5	LOB Support	
	TeamTrack Administrator/ Serena	6.2	Buy/Ship	http://www.serena.com/Products/teamtrack/Home.asp
	Test Director/ Mercury Interactive	8	Buy/Ship	
	TraxTime/ Spud City Software	3.8	LOB Support	http://www.spudcity.com/traxtime/traxtime.htm
	Ultra Edit 32/ IDM Computer Solutions, Inc	10.X	Buy/Ship	http://www.ultraedit.com/index.php?name=Content&pa=showpage&pid=1
	ViewCompanion/ Software Companions	1.5	LOB Support	http://www.softwarecompanions.com/viewcomp.html
	ViewCompanion/ Software Companions	2.5.X	LOB Support	http://www.softwarecompanions.com/viewcomp.html
	ViewCompanion/ Software Companions	2000	LOB Support	http://www.softwarecompanions.com/viewcomp.html
	Visual Staff Scheduler/ Atlas Business Solutions	5	LOB Support	http://www.abs-usa.com/
	VisualAge® Generator/ IBM	v1.2.0	Buy/Ship	Developer tool
	WinCVS/ SourceForge	1.3	LOB Support	http://www.wincvs.org/
	WinToPo/ SoftSoft	Pro	Buy/Ship	http://homepage.ntlworld.com/heatons/softsoft/wintopo/index.htm
	Who's In/ Hudson Software	2003	LOB Support	http://www.hudsoft.com/index.html
Application Development	Aion/ Cleverpath Computer	8.1	LOB Support	Can no longer buy this product
	Aion/ Cleverpath Computer	9.5	Buy/ship	
	APEX True DBGrid / ComponentOne LLC	Pro 6.0	Buy/ship	
	APL 2000/ APL 2000 Inc.	4 - full client	Buy/ship	
	Beyond 20/20 Builder/ Beyond 20/20 Inc	7	Buy/ship	http://www.beyond2020.com
	C++Builder/ Borland Delphi	(Professional) 6	LOB Support	Can no longer buy this product
	C++Builder Borland Delphi	(Enterprise Edition) 7	Buy/ship	

	Business Analyst 2020/ Powerstart	2001	Buy/ship	
	CA-Clipper/ GrafX Software Development Tools	5.3	Buy/ship	
	Delphi/ Borland	5	Buy/Ship	
	Edit Plus/ EX_Computing	2.11	Buy/Ship	
	EditPad/ Jan Goyvaerts	?	Buy/Ship	
	ErWin 4/ Computer Associates	4	Buy/Ship	
	Formatter Plus/ Quest Software	V1.4	Buy/Ship	
	Golden32/ Benthic Software	5.7	Buy/Ship	
	HDK 3.6/ Virtual Media Technology	3.6	Buy/Ship	
	Harvest AllFusion (CA)/ Computer Associates	5.11	Buy/Ship	
	Home Site/ Macromedia	5.5	Buy/Ship	
	Internet Developer Suite/ Oracle	9i	Buy/Ship	
	Instance Monitory/ Quest	1.0c	Buy/Ship	
	Open Programming Language/ OPL		Buy/Ship	
	OPL Development Environment (ODE)		Buy/Ship	
	Oracle Designer/ Oracle Corporation	6i	LOB Support	Can no longer buy this product
	Oracle Designer/ Oracle Corporation	9i	Buy/Ship	
	Oracle Developer Designer 2000/ Oracle Corporation	2000	Buy/Ship	
	Oracle Forms Developer/ Oracle Corporation	4.5	LOB Support	Can no longer buy this product
	Oracle Forms Developer/ Oracle Corporation	6i	LOB Support	Can no longer buy this product

	Oracle Forms Developer/ Oracle Corporation	9i	Buy/Ship	
	Oracle Jdeveloper/ Oracle Corporation	10g	Buy/Ship	
	Oracle Workflow Builder/ Oracle Corporation	2.6	Buy/Ship	
	Jbuilder/ Borland	10	Buy/Ship	www.borland.com
	MS Visual Source Safe/ MS Corporation	6	Buy/Ship	
	PERL/ O'Reilly	Any	Buy/Ship	
	PL/SQL Developer/ Allround Automations	5.X	Buy/Ship	
	Space Manager/ Quest	3.31	Buy/Ship	
	SpyWorks Pro/ Desaware Inc	6	Buy/Ship	
	SPF/ SourceEdit	4	Buy/Ship	
	SQL Navigator standard/ Quest Software inc	3.2	LOB Support	Can no longer buy this product
	SQL Navigator standard/ Quest Software inc	3.5	LOB Support	Can no longer buy this product
	SQL Navigator standard/ Quest Software inc	4.4	Buy/Ship	
	TextPad/ Helios Software Solutions	4.5	LOB Support	Can no longer buy this product
	TextPad/ Helios Software Solutions	4.7	Buy/Ship	
	Tracker PCVS/ Merant	7	LOB Support	Can no longer buy this product
	Tracker PCVS/ Merant	8	Buy/Ship	
	Toad/ Quest Software Inc	6.3.X	LOB Support	Can no longer buy this product
	Toad/ Quest Software Inc	7.6	Buy/Ship	
	Ultra Edit32/ IDM Computer Solutions	10.1	Buy/Ship	
	VIM Editor/ RPM	6.2	Buy/Ship	

	Visible Analyst/ Visible Systems Corp	7.6	Buy/Ship	
	Visual Basic/ MS Corporation	6	Buy/Ship	
	Visual Basic/ MS Corporation	6 Professional	Buy/Ship	
	Visual Basic .Net/ MS Corporation	2003	Buy/Ship	
	Visual Basic .Net/ MS Corporation	2003 Professional	Buy/Ship	
	Visual C++/ MS Corporation	6	Buy/Ship	
	Visual C++ .Net/ MS Corporation	2003	Buy/Ship	
	Visual Studio Professional/ MS Corporation	6 Professional	Buy/Ship	
	Visual Studio.Net/ MS Corporation	.Net	Buy/Ship	
Security	Entrust Entelligence/ Entrust	5.0	LOB Support	Can no longer buy this product
	Entrust Entelligence/ Entrust	6.0	LOB Support	http://www.entrust.com/entelligence/
	iKey 2000 Series Software	4.7	Install Only	
	Security Explorer/ Small Wonders Software	4	LOB Support	
	Symantec Client Firewall/ Symantec	5	LOB Support	Can no longer buy this product
	Symantec System Center/ Symantec	5	LOB Support	Can no longer buy this product
	Symantec System Center/ Symantec	8	Buy/Ship	

Tallys	
Full	25
Limited Effort	40
Install Only	65
LOB Support	260
Buy/Ship	171
Blanks	40
	601

Schedule
J – Equipment

1.0 Introduction

This Schedule lists the:

a. Province Equipment; and

b. IBM Equipment located at the Facilities;

2.0 Province Equipment

Province Equipment Servers					
Item Number	**Type and Description**	**Server Name**	**Serial Number**	**Address**	**Maintenance Responsibilities**
1	SMS DP	AVENGER		Victoria (4000 Seymour)	Province
2	SMS DP	REEF		Victoria (4000 Seymour)	Province
3	SMS DP	CATALINA		Kamloops	Province
4	SMS DP	JOUSTER		Kamloops	Province
5	SMS DP	SHIFTER		Williams Lake	Province
6	SMS DP	RAFTER		Fort St. John	Province
7	SMS DP	CEMENT		Kelowna	Province
8	SMS DP	CONCORD		Dease Lake	Province
9	SMS DP	LATCH		Bella Coola	Province
10	SMS DP	GRIFFON		Prince George	Province
11	SMS DP	ROBE		Prince George	Province

Province Equipment Servers					
Item Number	**Type and Description**	**Server Name**	**Serial Number**	**Address**	**Maintenance Responsibilities**
12	SMS DP	STEP		Prince Rupert	Province
13	SMS DP	SEAT		Stewart	Province
14	SMS DP	INJECTOR		Victoria	Province
15	SMS DP	SEAHAWK		Victoria	Province
16	SMS DP	CONVAIR		Victoria	Province
17	SMS DP	WASHER		Victoria	Province
18	SMS DP	PLATE		Terrace	Province
19	SMS DP	POINTER		Sechelt	Province
20	SMS DP	BUFFALO		Nanaimo	Province
21	SMS DP	METEOR		Campbell River	Province
22	SMS DP	CARB		Vancouver	Province
23	SMS DP	WATER		Vancouver	Province
24	SMS DP	CHAIR		Vancouver	Province
25	SMS DP	GRAYLING		Surrey	Province
26	SMS DP	TANAGER		Abbotsford	Province
27	SMS DP	HADDOCK		Chilliwack	Province
28	SMS DP	HERDER		Burnaby	Province
29	SMS DP	SWORD		Burnaby	Province
30	SMS DP	ROOF		Nelson	Province
31	SMS DP	JOIST		Grand Forks	Province
32	SMS DP	ANGLER		Golden	Province

Province Equipment Servers					
Item Number	**Type and Description**	**Server Name**	**Serial Number**	**Address**	**Maintenance Responsibilities**
33	SMS Primary Server	MOSQUITO		Victoria #1	Province
34	SMS Primary Server	VALVE		Victoria #2	Province
35	SMS Primary Server	TARPON		Nanaimo	Province
36	SMS Primary Server	ROTOR		Vancouver	Province
37	SMS Primary Server	MORTAR		Burnaby	Province
38	SMS Primary Server	DOOR		Nelson	Province
39	SMS Central Server	VAMPIRE		Victoria	Province
40	SMS Central Server	TAPPET		Victoria	Province
41	Rapport Server	WOODY		Victoria	Province
42	SMS Secondary Servers	FENCER		Victoria	Province
43	SMS Secondary Servers	CRADLE		Victoria	Province
44	RIS	BLCFS		Black Creek	Province
45	RIS	BRAFS		Brackendale (Parks Office)	Province
46	RIS	BURFS		Burnaby (LRC Office)	Province
47	RIS	CBKMF		Cranbrook	Province

Province Equipment Servers					
Item Number	**Type and Description**	**Server Name**	**Serial Number**	**Address**	**Maintenance Responsibilities**
48	RIS	CLKFS		Cultus Lake (Parks Office)	Province
49	RIS	FSJMF		Fort St. John	Province
50	RIS	GDSFS		Goldstream (Parks Office)	Province
51	RIS	LKEFS		Lakelse Lake (Parks Office)	Province
52	RIS	NANMF		Nanaimo	Province
53	RIS	NELMF		Nelson	Province
54	RIS	NVAFS		North Vancouver (Parks Office)	Province
55	RIS	NWMFS		New Westminster (LTO Office)	Province
56	RIS	PALFS		Port Alberni	Province
57	RIS	PHAFS		Port Hardy	Province
58	RIS	PNTMF		Penticton	Province
59	RIS	PRGMF		Prince George	Province
60	RIS	SMTMF		Smithers	Province
61	RIS	SRYMF		Surrey	Province
62	RIS	UBCFS		UBC	Province
63	RIS	VERFS		Vernon	Province
64	RIS	SLKRIS1		Victoria	Province
65	RIS	SLKSIU		Victoria (SIU Office)	Province

Province Equipment Servers					
Item Number	**Type and Description**	**Server Name**	**Serial Number**	**Address**	**Maintenance Responsibilities**
66	RIS	WMLMF		Williams Lake	Province
67	SMS DP/ RIS	Chunky		Campbell River	Province
68	SMS DP/ RIS	Rebate		Kamloops	Province
69	SMS DP/ RIS	Feast		Kelowna	Province
70	SMS DP/ RIS	Amazon		Nanaimo	Province
71	SMS DP/ RIS	Riddle		Prince George	Province
72	SMS DP/ RIS	Paintball		Surrey	Province
73	SMS DP/ RIS	Iron		Vancouver	Province
74	SMS DP/ RIS	Sink		Victoria	Province
75	SMS DP/ RIS	Tin		Victoria	Province
76	SMS DP/ RIS	Grade		Williams Lake	Province

3.0 IBM Equipment

IBM Equipment **The following list of IBM Equipment are expected to be purchased during the Transition Period in order to meet the Service requirements outlined in the Agreement. This Schedule will be updated to reflect actual IBM Equipment purchased.**					
Item Number	**Type and Description**	**Model Number**	**Serial Number**	**Address** IBM managed space	**Maintenance Resposibilities**
1	Peregrine Servicecenter Application Service Machine	x255 - [86858RX]-	KPGFW75	4000 Seymour Place	IBM
2	Peregrine Servicecenter Database Service Machine	x345 - [8670G1X]-	*	4000 Seymour Place	IBM
3	Peregrine Assetcenter Web Service Machine	x235 - [86711AX]-	78V6027	4000 Seymour Place	IBM
4	Peregrine Assetcenter Application Service Machine	x300 - [867281X]-	78KC441	4000 Seymour Place	IBM
5	Report Web Service Machine	x335 - [883021V]-	KPMBK79	4000 Seymour Place	IBM
6	Dataware Warehouse Report Repository Service Machine	x345 - [8670G1X]-	*	4000 Seymour Place	IBM
7	Virtual Help Desk Service Machine	x232 - [866847X]-	78GCNX1	4000 Seymour Place	IBM
8	Virtual Help Desk eSearch Service Machine	x345 - [8670G1X]-	*	4000 Seymour Place	IBM

IBM Equipment

The following list of IBM Equipment are expected to be purchased during the Transition Period in order to meet the Service requirements outlined in the Agreement. This Schedule will be updated to reflect actual IBM Equipment purchased.

Item Number	Type and Description	Model Number	Serial Number	Address IBM managed space	Maintenance Resposibilities
9	Direct Talk Service Machine	x220 - [864641X]-	78F0114	New IBM Facility	IBM
10	Courion Web Service Machine	x335 - [867641X]-	KPVH779	4000 Seymour Place	IBM
11	Tivoli Storage Management Service Machine	x345 - [8670G1X]-	*	4000 Seymour Place	IBM
12	Image Ultra Builder Repository Service Machine	x345 - [8670G1X]-	*	4000 Seymour Place	IBM
13	Tools Infrastructure Related Test Service Machine A (large capacity server)	x345 - [8670G1X]-	*	New IBM Facility	IBM
14	Tools Infrastructure Related Test Service Machine B (large capacity server)	x345 - [8670G1X]-	*	New IBM Facility	IBM
15	Tools Infrastructure Related Test Service Machine C (large capacity server)	x345 - [8670G1X]-	*	New IBM Facility	IBM
16	Tools Infrastructure Related Test Service Machine D (large capacity server)	x345 - [8670G1X]-	*	New IBM Facility	IBM

IBM Equipment

The following list of IBM Equipment are expected to be purchased during the Transition Period in order to meet the Service requirements outlined in the Agreement. This Schedule will be updated to reflect actual IBM Equipment purchased.

Item Number	Type and Description	Model Number	Serial Number	Address IBM managed space	Maintenance Resposibilities
17	Tools Infrastructure Related Test Service Machine E (small capacity server)	x305 - [867383X]-	*	New IBM Facility	IBM
18	Tools Infrastructure Related Test Service Machine F (small capacity server)	x305 - [867383X]-	*	New IBM Facility	IBM
19	Tools Infrastructure Related Test Service Machine G (small capacity server)	x305 - [867383X]-	*	New IBM Facility	IBM
20	Tools Infrastructure Related Test Service Machine H (small capacity server)	x305 - [867383X]-	*	New IBM Facility	IBM
21	DTS Terminal Service Machine A	HS20 Blade server	*	4000 Seymour Place	IBM
22	DTS Terminal Service Machine B	HS20 Blade server	*	4000 Seymour Place	IBM
23	DTS Terminal Service Machine C	HS20 Blade server	*	4000 Seymour Place	IBM

IBM Equipment

The following list of IBM Equipment are expected to be purchased during the Transition Period in order to meet the Service requirements outlined in the Agreement. This Schedule will be updated to reflect actual IBM Equipment purchased.

Item Number	Type and Description	Model Number	Serial Number	Address IBM managed space	Maintenance Resposibilities
24	DTS Terminal Service Machine D	HS20 Blade server	*	4000 Seymour Place	IBM
25	DTS Terminal Service Machine E	HS20 Blade server	*	4000 Seymour Place	IBM
26	DTS Terminal Service Machine F	HS20 Blade server	*	4000 Seymour Place	IBM
27	DTS Terminal Service Machine G	HS20 Blade server	*	4000 Seymour Place	IBM
28	DTS Terminal Service Machine H	HS20 Blade server	*	4000 Seymour Place	IBM
29	Pergrine ServiceCenter Development Server	x220 - [864641X]-	78D6787	4000 Seymour Place	IBM
30	Citrix Service Machine	x330 - [86754MX]-	78F1739	4000 Seymour Place	IBM
31	Citrix Service Machine	x330 - [86754MX]-	78F1734	4000 Seymour Place	IBM
32	Citrix Primary Datastore Service Machine	x330 - [86754MX]-	IALNUMB	4000 Seymour Place	IBM
33	IBM Director/Shavlik Service Machine	x345 - [867011X]-	KPBBY11	4000 Seymour Place	IBM

IBM Equipment

The following list of IBM Equipment are expected to be purchased during the Transition Period in order to meet the Service requirements outlined in the Agreement. This Schedule will be updated to reflect actual IBM Equipment purchased.

Item Number	Type and Description	Model Number	Serial Number	Address IBM managed space	Maintenance Resposibilities
34	NFUSE Website (Citrix) Service Machine	x330 - [86754MX]-	78F1808	4000 Seymour Place	IBM
35	Citrix Service Machine	x330 - [86754MX]-	78F1737	4000 Seymour Place	IBM
36	Citrix Back-up Datastore/Courion Database Service Machine	x330 - [86754MX]-	78F1732	4000 Seymour Place	IBM
37	Citrix Test Service Machine	x330 - [86754MX]-	78F1738	4000 Seymour Place	IBM
38	Virtual Help Desk Website Service Machine	x345 - [867011X]-	KPBBX71	4000 Seymour Place	IBM
39	Peregrine ServiceCenter Website Service Machine	x335 - [867611X]-	KPPNA87	4000 Seymour Place	IBM
40	SMS Site, Management Point, Client Access Point, Server Locator Point Servers	X365 – [88625RX]-	*	4000 Seymour Place	IBM
41	SMS Site, Management Point Servers	X365 – [88625RX]-	*	4000 Seymour Place	IBM
42	Management Point Servers	X365 – [88625RX]-	*	4000 Seymour Place	IBM

IBM Equipment

The following list of IBM Equipment are expected to be purchased during the Transition Period in order to meet the Service requirements outlined in the Agreement. This Schedule will be updated to reflect actual IBM Equipment purchased.

Item Number	Type and Description	Model Number	Serial Number	Address IBM managed space	Maintenance Resposibilities
43	Distribution Points	X235 – [8671KAX]-	*	4000 Seymour Place	IBM
44	Distribution Points	X235 – [8671KAX]	*	4000 Seymour Place	IBM
45	Distribution Points	X235 – [8671KAX]	*	4000 Seymour Place	IBM
46	Distribution Points	X235 – [8671KAX]	*	Vancouver	IBM
47	Distribution Points	X235 – [8671KAX]	*	Vancouver	IBM
48	Distribution Points	X235 – [8671KAX]	*	Kelowna	IBM
49	Distribution Points	X235 – [8671KAX]	*	Kamlops	IBM
50	Distribution Points	X235 – [8671KAX]	*	Nelson	IBM
51	Distribution Points	X235 – [8671KAX]	*	Williams Lake	IBM
52	Distribution Points	X235 – [8671KAX]	*	Prince George	IBM
53	Distribution Points	X235 – [8671KAX]	*	Fort St. John	IBM
54	Distribution Points	X235 – [8671KAX]	*	Terrace	IBM
55	Distribution Points	X235 – [8671KAX]	*	Bella Coola	IBM

IBM Equipment **The following list of IBM Equipment are expected to be purchased during the Transition Period in order to meet the Service requirements outlined in the Agreement. This Schedule will be updated to reflect actual IBM Equipment purchased.**					
Item Number	**Type and Description**	**Model Number**	**Serial Number**	**Address** IBM managed space	**Maintenance Resposibilities**
56	Distribution Points	X235 – [8671KAX]	*	TBD (Possibly Dease Lake)	IBM

- * Serial Numbers are not known because these IBM Equipment have not been purchased yet, they will be purchased and put into service up to 12 calendar months after the Commencement Date.

Schedule
K – Standards - Hardware

1.0 Introduction:

This schedule defines the standard hardware configurations acquired by the Province as set out within Exhibit K-1 and the Parties' respective responsibilities.

2.0 Standards

2.1. IBM Responsibilities

IBM will:

1. assist the Province in establishing the Supported Desktops and other standard hardware as listed in Exhibit K-1;
2. manage and maintain a test lab at an IBM Facility to assist the Province as outlined in Base Technology Engineering Services Schedule to test prospective desktop technologies;
3. manage and report on Client purchasing trends as outlined in Operational Reporting Schedule subsection Order Management;
4. provide recommendations on Supported Desktops and other hardware standards as outlined in Base Technology Engineering Services Schedule; and
5. provide impact assessments based upon hardware selections as outlined in Base Technology Engineering Services Schedule.

2.2. Province Responsibilities

The Province will:

1. establish the Standards as listed in Exhibit K-1 ;
2. approve and update the Standards roadmap on a semi-annual basis;
3. provide impact assessments based upon Supported Desktops and other hardware selections;
4. monitor all industry trends to determine future directions of government;
5. define the forum for determining the standards of government

3.0 Workstation Councils

3.1. Workstation Technology Vision Council

This council will provide insight into future products and services for the Province.

IBM will:

1. organize semi-annual meetings or meeting frequency as otherwise agreed; and
2. chair the meetings.

The Province will:

1. submit agenda items to IBM where and when applicable; and
2. participate in meetings.

3.2. Workstation Standards Council

This council is a joint council that is responsible for maintaining the standard hardware and software lists.

IBM will:

1. participate in the meetings.

The Province will:

1. organize semi-annual meetings or meeting frequency as otherwise agreed; and
2. chair the meetings.

Exhibit K1 – Example of Current Standards for Supported Desktops

Government *Standard*	"Past" Standard N – 1	Current Standard Current N	Firm Standard N + 1	Planned Standard N + 2
Desktops				
Desktop: Standard (Small Form Factor)	Pentium 4 - 2.6+ GHz • Intel 865G MB Chipset • 512Mb RAM • 40.0Gb (min) Hard Drive • 17" Monitor TCO99 • CD-ROM / USB 2.0 • 10/100 Ethernet w/WOL • Windows XP Professional	Pentium 4 - 3.0+ GHz • Intel 865G MB Chipset • 512Mb RAM • 40.0Gb (min) Hard Drive • 17" Monitor TCO99 • CD-ROM / USB 2.0 • 10/100 Ethernet w/WOL • Windows XP Professional	Pentium 4 - 3.2+ GHz • Intel 865G MB Chipset • 512Mb RAM • 40.0Gb (min) Hard Drive • 17" Monitor TCO99 • CD-ROM / USB 2.0 • 10/100/1000 Ethernet w/WOL • Windows XP Professional	Pentium 4 - 3.4+ GHz • Intel 865G MB Chipset • 1024Mb RAM • 40.0Gb (min) Hard Drive • 17" Monitor TCO 99 • CD-ROM / USB 2.0 • 10/100/1000 Ethernet w/WOL • Windows XP Professional
Desktop: Advanced Functionality Desktop (MiniTower/Desktop)	Pentium 4 - 2.6+ GHz • Intel 865G MB Chipset • 512Mb RAM • 40.0Gb (min) Hard Drive • 17" Monitor TCO99 • CD-ROM / USB 2.0 • 10/100 Ethernet w/WOL • Windows XP Professional	Pentium 4 - 3.2+ GHz • Intel 865G MB Chipset • 512MB RAM • 40.0Gb (min) Hard Drive • 19" Monitor TCO99 • CD-ROM / USB 2.0 • 10/100 Ethernet w/WOL • Windows XP Professional	Pentium 4 - 3.4+ GHz • Intel 865G MB Chipset • 1024MB RAM • 40.0Gb (min) Hard Drive • 19" Monitor TCO99 • CD-ROM / USB 2.0 • 10/100/1000 Ethernet w/WOL • Windows XP Professional	Pentium 4 - 4.0+ GHz • Intel 865G MB Chipset • 2048MB RAM • 40.0Gb (min) Hard Drive • 19" Monitor TCO 99 • CD-ROM / USB 2.0 • 10/100/1000 Ethernet w/WOL • Windows XP Professional
Laptops				

Government *Standard*	"Past" Standard N – 1	Current Standard Current N	Firm Standard N + 1	Planned Standard N + 2
General Purpose Laptop	Size – 2- 3 Kgs • CPU – Intel Centrino 1.4GHz • Memory – 512MB • Display – 15" TFT XGA (1024x768) • Hard Drive – 40GB • Storage – CD/DVD-ROM • Networking – 10/100Nic, 802.11b • Port Replicator available • Docking Station available	Size – 2- 3 Kgs • CPU – Intel Centrino 1.5GHz • Memory – 512MB • Display – 15" TFT XGA (1024x768) • Hard Drive – 40GB • Storage – CD-RW/DVD-ROM Combo • Networking – 10/100Nic, 802.11b • Port Replicator available Docking Station available	Size – 2- 3 Kgs • CPU – Intel Centrino 1.7GHz • Memory – 512MB • Display – 15" TFT XGA (1024x768) • Hard Drive – 40GB • Storage – CD-RW/DVD-ROM Combo • Networking – 10/100Nic, 802.11b/g • Port Replicator available Docking Station available	Size – 2- 3 Kgs • CPU – Intel Centrino 2.0GHz • Memory – 1024MB • Display – 15" TFT XGA (1024x768) • Hard Drive – 40GB • Storage – CD-RW/DVD-ROM Combo • Networking – 10/100Nic, 802.11b/g • Port Replicator available Docking Station available
Ultra-light Laptop	Size – 1 – 2 Kgs • CPU – Intel Centrino 900 MHz • Memory – 512MB • Display – 12" TFT XGA (1024x768) • Hard Drive – 40GB • Storage – none • Networking – 10/100Nic, 802.1b • Port Replicator available • Docking Station available	Size – 1 – 2 Kgs • CPU – Intel Centrino 1.2GHz • Memory – 512MB • Display – 12" TFT XGA (1024x768) • Hard Drive – 40GB • Storage – none • Networking – 10/100Nic, 802.11b • Port Replicator available Docking Station available	Size – 1 – 2 Kgs • CPU – Intel Centrino 1.2GHz • Memory – 512MB • Display – 12" TFT XGA (1024x768) • Hard Drive – 40GB • Storage – none • Networking – 10/100Nic, 802.11b/g • Port Replicator available Docking Station available	Size – 1 – 2 Kgs • CPU – Intel Centrino 1.5GHz • Memory – 1024MB • Display – 12" TFT XGA (1024x768) • Hard Drive – 40GB • Storage – none • Networking – 10/100Nic, 802.11b/g • Port Replicator available Docking Station available
Thin Clients				
Standard Configuration				
Advanced Functionality				

IBM will:

1. provide Thin Client information and recommendation to the Province within 60 days from Commencement Date.

Province will:

1. review and approve within 30 days from receipt of the Thin Client information and recommendation from IBM.

4.0 PDA and Peripheral Device Standards

1. The Province and IBM will work together to create standards for the following device categories;
2. Support levels will be defined for each device;
3. As of the commencement date IBM will provide;
    a. reasonable commercial effort support for these devices;
    b. Calls will be handled 1st at the Service Desk and dispatched as required to IBM Support Personnel;
    c. service levels will not apply; and
    d. these Calls will be prioritized as low priority.

Personal Data Assistants				
Standard Configuration				
Advanced Functionality				

Peripheral Device Standards				
Scanner				
Personal Printer				
Label Printer				
Camera				

Schedule
L - Facilities

1.0 Introduction

This Schedule lists the Facilities within all the Province locations and classifies the level of support for Service Level Requirements and Service Level Objectives.
IBM and the Province will conduct a joint preliminary review of the Facilities list three (3) months after Commencement and a follow on joint review at the end of Stage 3 of Transition. Any changes proposed to the Facilities list by either party will follow the Governance process.

2.0 Province Facilities

Facilities			
Facility	**Urban Site**	**Rural Site**	**Remote Site**
ABBOTSFORD	□		
ALDERGROVE	□		
BURNABY	□		
CAMPBELL RIVER	□		
CHILLIWACK	□		
CLOVERDALE	□		
COLWOOD	□		
COQUITLAM	□		
DELTA	□		
ESQUIMALT	□		
KAMLOOPS	□		
KELOWNA	□		
LANGFORD	□		
LANGLEY	□		
MAPLE RIDGE	□		
MISSION	□		
NANAIMO	□		
NEW WESTMINISTER	□		
NORTH SAANICH	□		
NORTH VANCOUVER	□		

Facilities			
Facility	**Urban Site**	**Rural Site**	**Remote Site**
PITT MEADOWS	☐		
PORT COQUITLAM	☐		
PORT MOODY	☐		
PRINCE GEORGE	☐		
RICHMOND	☐		
SAANICH	☐		
SIDNEY	☐		
SURREY	☐		
TERRACE	☐		
VANCOUVER	☐		
VICTORIA	☐		
VIEW ROYAL	☐		
WEST BANK	☐		
WEST VANCOUVER	☐		
WHITE ROCK	☐		
100 MILE HOUSE		☐	
AGASSIZ		☐	
BALFOUR		☐	
BURNS LAKE		☐	
CASSIDY		☐	
CASTLEGAR		☐	
CHARLIE LAKE		☐	
COURTENAY		☐	
CRANBROOK		☐	
DAWSON CREEK		☐	
DECKER LAKE		☐	
DUNCAN		☐	
FERNIE		☐	
FORT ST JOHN		☐	
GIBSONS		☐	
GOLDEN		☐	
HOPE		☐	
KALEDEN		☐	
KITIMAT		☐	
LUMBY		☐	

Facilities			
Facility	**Urban Site**	**Rural Site**	**Remote Site**
NELSON		☐	
PARKSVILLE		☐	
PENTICTON		☐	
PORT ALBERNI		☐	
POWELL RIVER		☐	
PRINCE RUPERT		☐	
QUESNEL		☐	
REVELSTOKE		☐	
ROSEPRARIE		☐	
ROSSLAND		☐	
SALMON ARM		☐	
SARDIS		☐	
SECHELT		☐	
SMITHERS		☐	
SOOKE		☐	
SQUAMISH		☐	
SUMMERLAND		☐	
TRAIL		☐	
VERNON		☐	
WILLIAMS LAKE		☐	
YAHK		☐	
ALEXIS CREEK			☐
ANAHIM LAKE *			☐
ASHCROFT			☐
ATLIN *			☐
BARRIER			☐
BELLA COOLA *			☐
BOB QUINN LAKE *			☐
CHETWYN *			☐
CLAYHURST			☐
CLEARWATER *			☐
CLINTON			☐
COLD WATER *			☐
CRESTON			☐
CRESTON			☐

Facilities			
Facility	**Urban Site**	**Rural Site**	**Remote Site**
DEASE LAKE *			☐
FORT NELSON *			☐
FORT ST JAMES			☐
GALIANO *			☐
GOLD RIVER *			☐
GRAND FORKS			☐
GRANISL			☐
HAGENSBERG *			☐
HAZELTON			☐
HOUSTON			☐
HUDSONS HOPE			☐
INVERMERE			☐
JULIETP *			☐
KASLO			☐
KEREMEOS			☐
KIMBERLY			☐
LARDEAU *			☐
LILLOOET			☐
LOGAN LAKE			☐
MACKENZIE			☐
MASSET *			☐
MCBRIDE *			☐
MERRITT			☐
METLAKATLA *			☐
MIDWAY			☐
NAKUSP			☐
NEWAIYA *			☐
OLIVER			☐
PEMBERTON			☐
PORT HARDY *			☐
PORT MCNEILL *			☐
POUCE COUPE			☐
PRINCETON			☐
QUEEN CHARLOTTE CITY *			☐
SALT SPRING ISLAND *			☐

Facilities			
Facility	**Urban Site**	**Rural Site**	**Remote Site**
SPARWOOD			☐
STEWART *			☐
TETEJAUNE CACHE *			☐
TROUT LAKE *			☐
TUMBLER RIDGE *			☐
UCLUELET *			☐
VALEMOUNT *			☐
VANDERHOOF			☐

* Represents Remote sites where the Province pays for travel time and actual travel & living expenses

3.0 IBM Facilities

Facilities		
Facility	**Function**	**Location**
ISM CANADA (sub contractor)	Service Desk	3960 Quadra Street, Saanich
MICROSERVE (sub contractor)	Warehouse for Deployment Services	4254 Commerce Circle, Victoria

Schedule
M – Key Positions

1.0 Introduction

This Schedule M outlines the IBM Key Positions, the Province Key Positions, the personnel assigned to such Key Positions as of the Effective Date, and the respective periods for which they are assigned in accordance with the provisions of Section 8.4 (*Key Positions*) of the Agreement.

2.0 IBM Key Positions

Position
IBM Project Executive
HR Director
Transition Project Manager
Delivery Manager

3.0 Province Key Positions

Position
WSS LOB Executive
Technical Delivery Manager
Project Delivery Manager
Finance Manager

4.0 IBM Key Transition Personal

Personnel	Period from the Commencement Date
Sally Filo	24 months
Mike Wainwright	1 month
Doug Lagore	9 months
Bruce Oxley	24 months
Greg Cunningham	24 months

5.0 Province Key Transition Personal

Personnel	Period from the Commencement Date
Tom Scharien	24 months
Mark Scherzer	12 months

Michael Swift	24 months
Graham Appleton	24 months

Schedule
N – Audit Schedule

This Schedule provides supporting detail with respect to Article 15, Section 15.10 (*Financial Audits*):

1.0 Annual Financial Review

1.1 At the end of each Contract Year, IBM will prepare a summary report (the "**Summary Financial Information**") of the following information:

(a) Project Office revenues received by IBM from the Province during the prior twelve month period ("Annual Revenue")

(b) Annual Aggregate Project Office Cost Elements as follows:

(i) Aggregate labour costs (fully burdened)

(ii) Hardware costs excluding maintenance

(iii) Hardware maintenance costs

(iv) OEM software licenses, maintenance, and upgrade costs

(v) IBM software licenses, maintenance, and upgrade costs

(vi) Aggregate subcontractor costs

(vii) Miscellaneous costs

Note: (aggregate labour costs will include the early start up transition costs from November 1, 2004 forward.)

(c) Annual Project Office gross profit percentage ("Project Office Gross Profit Percentage") calculated by subtracting the Project Office Cost Elements as set out in (b) from the Annual Revenue as set out in (a), and then dividing the result by such Annual Revenue.

(d) Cumulative Project Office revenues received by IBM from the Province from the Commencement Date

(e) Cumulative Aggregate Project Office Cost Elements as follows:

i. Aggregate labour costs (fully burdened)

ii. Hardware costs excluding maintenance

iii. Hardware maintenance costs

iv. OEM software licenses, maintenance, and upgrade costs

v. IBM software licenses, maintenance, and upgrade costs

vi. Aggregate subcontractor costs

vii. Miscellaneous costs

(f) Cumulative Project Office Gross Profit Percentage for the period from the Effective Date of the Agreement through the date of any calculation of such Project Office Gross Profit Percentage.

(g) Labour hours which shall be derived from the IBM standard Project Office report that IBM generates for each of its outsourcing contracts, outlining a summary of costs, revenues and the cumulative gross profit earned to date (the "**Detailed Contract Profitability Report**").

1.2 A copy of the Summary Financial Information will be maintained at IBM's Project Office location in British Columbia. The Province will be entitled to review the Summary Financial Information pertaining to the Services provided under this Agreement in accordance with this Schedule N. Annually, upon request, the Director of WSS and the designated Financial Manager may meet with the IBM Project Executive to review the Summary Financial Information.

1.3 The Parties acknowledge and agree that the Summary Financial Information is Confidential Information. The Province agrees to restrict access within the Province to the Director of WSS and the designated Financial Manager, the OCG, the Auditor General and vertically within the Province only as necessary on a need-to know basis. The Summary Financial Information is supplied for the purpose of confirming the Cumulative Project Office Gross Profit and calculating the Margin Sharing Credit, if any, in accordance with Section 13.3 of the Agreement, and will be used only for such purpose.

1.4 The Summary Financial Information constitutes commercial and financial information of IBM, and is supplied by IBM to the Province only as required in accordance with the provisions of this Schedule N. It is supplied in confidence. Disclosure of the Summary Financial Information would harm significantly the competitive position of IBM and interfere significantly the negotiating positions of IBM, and will result in further Summary Financial Information or similar information no longer being supplied to the Province. If any request is made for the release of the Summary Financial Information, the Province shall immediately provide IBM with notice and an opportunity to prevent such disclosure under Applicable Laws, and shall diligently assist IBM in this regard.

2.0 Summary Financial Information

A sample report of Summary Financial Information attached for reference purposes as Exhibit N-1. The Summary Financial Information shall be prepared substantially in the form of Exhibit N-1.

3.0 9100 Audit Sample Report

A sample Section 9100 audit report is attached for reference purposes as Exhibit N-2. Any Section 9100 audit shall be conducted so as to address those criteria specifically set out in Exhibit N-2 or as otherwise agreed to, and the audit report shall be prepared substantially in the form of Exhibit N-2 attached.

4.0 5815 Audit Sample Report

A sample Section 5815 audit report is attached for reference purposes as Exhibit N-3. Any Section 5815 audit report shall be prepared substantially in the form of Exhibit N-3 attached.

Exhibit N – 1 - Summary Financial Information

Workstation Support Services Summary Financial Information (Sample Report)			
For Year Ending March 31, 2007			
($000s)			
	FY2006	FY2007	Contract to Date
Revenue		17,448	49,805
Cost			
Labour, burdened*		11,375	40,525
Commercial Hardware Leases		419	749
Commercial Hardware Maintenance		48	125
Software Licenses and Upgrades (Amortized or Expensed)		100	1,708
Software Maintenance		602	1,386
Subcontractors and Other Services		693	2,668
Total		13,237	47,161
Gross Profit		4,211	2,644
Gross Profit as percent of Revenue		24%	5%
Labour Hours		190,000	
*Burden in Labour includes the following:			
Other Compensation (Benefits, Shift Premiums, Overtime, Informal Awards)			
Office Occupancy/Site Services			
IT Services			
Workstation			
Telecommunications			
Non-Direct Labor (Management & Administration in Support of Direct function)			
Education and Travel			
Burden makes up 40% of aggregate burdened labour			
Note: IBM to explain any significant year over year changes in summary financial information.			

Exhibit N – 2 - 9100 Audit Sample Report

SAMPLE REPORT [procedures to be clarified when planning the work to meet the stated objectives – the procedures will also reflect the sample sizes and/or how the procedures were performed]

[To addressee – party with whom PricewaterhouseCoopers contracts]

As specifically agreed, we have performed the following procedures in connection with the British Columbia Government's Desktop Outsourcing Contract (Contract) with IBM Canada Limited (IBM) for the year ended December 31, 2005.

Summary Financial Information

We agreed the Summary Financial Information provided to the British Columbia Government with the IBM report called Detailed Contract Profitability Report.

We determined that the total revenues, costs and gross profit methodologies used in the creation of the Detailed Contract Profitability Report for this Contract was consistent with the methodologies used on other IBM Global Services outsourcing contracts where IBM customers received the same or similar services.

We determined that the Project Executive's remuneration was based on the Detailed Contract Profitability report.

We agreed the amounts recorded in the Detailed Contract Profitability Report with the general ledger and project costing records of IBM.

We reviewed the methodology used to charge costs to the Detailed Contract Profitability Report for consistent application throughout the year and for consistent application with other customers of IBM Global Services that received the same or similar services.

We determined that the fully-burdened labour rates used to charge costs to the Detailed Contract Profitability Report were consistent with those charged to other IBM customers that received the same or similar services.

We determined that the costs charged to the Detailed Contract Profitability Report were reviewed periodically and were adjusted x times in the year to reflect under or over recovery of costs within each cost category. We determined that this methodology was applied consistently to other IBM customers that received the same or similar services.

Revenues

We agreed revenues with the amounts billed under the Contract and with the general ledger.

Labour Costs

We determined that labour costs were charged to the Detailed Contract Profitability Report based upon the number of hours worked by employees of IBM and ISM Canada under the Contract in accordance with the applicable labour pool multiplied by the average rate for each job band.

We determined that average labour rates for each job band labour pool were consistently applied and were the same or lower than labour pool rates applied to other IBM customers who received the same or similar services.

We compared xx hours charged under the Contract to time sheets using a statistical sampling methodology and determined that the time charged related to work carried out under the Contract.

Subcontractor costs

We tested a sample of subcontractor charges and related invoices to confirm that outsourcing charges were for the use of the subcontractors who provided services under the Contract and that the services were received and were charged at the Contract rate.

Hardware and software costs

We confirmed that hardware and software charges were only for dedicated assets used for the delivery of services under the Contract.

Maintenance

We confirmed that maintenance charges were only for dedicated assets used for the delivery of services under the Contract.

1. **Facilities**

We confirmed that facility charges were included as part of the fully-burdened labour rates as appropriate in relation to the location of the employee.

Overhead load

We determined that the methodology used to calculate and allocate burden rates by classification of employee labour pool was consistently applied to the Detailed Contract Profitability Report and was consistent with other IBM customers that received the same or similar services.

We agreed management's determination of the three highest variances in the fully-burdened labour rate year over year.

Client Representation Letter

Would be obtained from IBM Canada. This audit step supports the accuracy and completeness of the financial information found within the Detailed Contract Profitability Report.

We have limited our testing to specified audit procedures of financial information contained within the Detailed Contract Profitability Report and the elements included in such report, such as the fully-burdened labour rates, hours, hardware and software, maintenance charges, and overhead charges. We found that these charges were consistent with IBM's methodology when applied to this Contract and other IBM customers that received the same or similar services.

It is understood that this report is to be used solely for computing the "gross profit" cap of 18% set out in section X of the agreement and is not to be referred to or distributed to any person outside of the Government of British Columbia, except as may be required under statute.
As a result of applying the above procedures, we found no (the following) exceptions (list of exceptions). However these procedures do not constitute an audit of the Summary Financial Information and therefore we express no opinion on the amounts shown therein as at March 31, 20xx.

Toronto, Ontario
(signed) .....
CHARTERED ACCOUNTANTS

Date

Exhibit N – 3 - 5815 Audit Sample Report

Section 5815

EXAMPLE OF AN OPINION ON COMPLIANCE GIVEN IN A SEPARATE REPORT

AUDITOR'S REPORT ON COMPLIANCE WITH AGREEMENT

To: Ministry of Management Services

I have audited IBM Canada Limited's compliance as at March 31, 20xx with the criteria established by (describe nature of provisions to be complied with) described in Sections ..... to ..... inclusive of British Columbia Government Desktop Outsourcing Contract dated December 3, 2004 with IBM and the interpretation of such agreement as set out in note 1 attached. Compliance with the criteria established by the provisions of the agreement is the responsibility of the management of IBM Canada Limited. My responsibility is to express an opinion on this compliance based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether Client Limited complied with the criteria established by the provisions of the agreement referred to above. Such an audit includes examining, on a test basis, evidence supporting compliance, evaluating the overall compliance with the agreement, and where applicable, assessing the accounting principles used and significant estimates made by management.

In my opinion, as at March 31, 20xx, IBM Canada Limited is in compliance, in all material respects, with the criteria established by (the provisions to be complied with) described in Sections ..... to ..... of this agreement.

(signed).....
CHARTERED ACCOUNTANT

City
Date

Schedule
O – Termination Fees

Guiding Principles:

- This Schedule O is attached for the purposes of identifying responsibilities for costs in the event of termination or expiration of this Agreement. In the event of any conflict between the provisions of this Schedule O and the provisions of the Agreement, the provisions of the Agreement shall prevail.
- Upon the expiration or termination of this Agreement, the Parties will work cooperatively to mitigate the costs incurred by both Parties as a result of such expiration or termination of the Agreement.

Cost Item	Termination by IBM for Cause by Province (Situation 1)	Termination by Province for Cause by IBM (Situation 2)	Convenience for Province (Situation 3)	Expiry (Situation 4)	No Fault (e.g. extended Force Majeure) (Situation 5)
1. Severance Costs **Note:** The details set forth in this row (Severance) must be read in conjunction with Section 19.8 of the Agreement. In the event of any conflict Section 19.8 shall prevail.	Province/Alternate Service Provider ("ASP") has the right/option to offer employment to Eligible Employees. Offers of employment must be in compliance with the then collective bargaining agreement between ISM and the BCGEU. IBM and ISM shall use reasonable efforts to	Province/ASP has right/option to offer employment/contract to Eligible Employees. Offers of employment must be in compliance with the then collective bargaining agreement between ISM and the BCGEU. IBM shall pay severance costs.	Province/ASP has the right/option to offer employment/contract to Eligible Employees. Offers of employment must be in compliance with the collective bargaining agreement. IBM and ISM to use reasonable efforts to redeploy Eligible Employees who do not receive offers of employment/contract	Province/ASP has the right/option to offer employment/contract to Eligible Employees. Offers of employment must be in compliance with the collective bargaining agreement. IBM shall pay all severance costs.	Province/ASP has right/option to offer employment/contract to Eligible Employees. Offers of employment must be in compliance with the collective bargaining agreement. IBM shall pay all severance costs.

Cost Item	Termination by IBM for Cause by Province (Situation 1)	Termination by Province for Cause by IBM (Situation 2)	Convenience for Province (Situation 3)	Expiry (Situation 4)	No Fault (e.g. extended Force Majeure) (Situation 5)
	redeploy Eligible Employees who do not receive offers of employment from ASP/Province. Province shall pay severance costs based on total years of service for those Eligible Employees not hired by Province/ASP (whether because an offer not made by the Province or such Eligible Employee rejected the Province/ASP offer of employment) and not redeployed within ISM.		from ASP/Province. Province shall pay severance costs based on total years of service for those Eligible Employees not hired by Province/ASP (whether because an offer not made by the Province or such Eligible Employee rejected the Province/ASP offer of employment) and not redeployed within ISM.		
2. Transition and Transformation Costs					

Cost Item	Termination by IBM for Cause by Province (Situation 1)	Termination by Province for Cause by IBM (Situation 2)	Convenience for Province (Situation 3)	Expiry (Situation 4)	No Fault (e.g. extended Force Majeure) (Situation 5)
Transition/Transformation Costs Unamortized direct costs of the transition	Province to pay unamortized costs of transition/transformation accruing from the signing date specified as follows: FY05/06 $6,326,000 and FY06/07 $3,266,000 – as may be amended to include investment costs associated with new services provided by IBM, where such investments have significant transition costs as approved through the Change Order Process.	IBM	Province to pay unamortized costs of transition/transformation accruing from the signing date specified as follows: FY05/06 $6,326,000 and FY06/07 $3,266,000 – as may be amended to include investment costs associated with new services provided by IBM, where such investments have significant transition costs as approved through the Change Order Process.	N/A	Province to pay unamortized costs of transition/transformation accruing from the signing date specified as follows: FY05/06 $6,326,000 and FY06/07 $3,266,000 – as may be amended to include investment costs associated with new services provided by IBM, where such investments have significant transition costs as approved through the Change Order Process.

Cost Item	Termination by IBM for Cause by Province (Situation 1)	Termination by Province for Cause by IBM (Situation 2)	Convenience for Province (Situation 3)	Expiry (Situation 4)	No Fault (e.g. extended Force Majeure) (Situation 5)
3. Third Party Contracts					
Dedicated Third Party contracts (which may include leases, services agreements and h/w agreements). IBM shall negotiate Third Party Contracts on reasonable commercial terms. Where possible and without incremental cost (for material contracts) IBM to negotiate assignment provision with right to assign Third Party Contract to the Province. Province to have visibility to Third Party Contracts for which Province is exposed to future liability (as per Section 26.3 (d)).	Province option to take assignment of Third Party Contract, if assignable. Province to pay costs of assignment. If Province chooses to not take assignment of the Third Party Contract, IBM may continue or terminate contract. If IBM terminates the Third Party Contract, then Province to pay IBM the amount of the termination costs under the Third Party Contract. If IBM continues any Third Party Contracts then all costs associated with such Third Party Contract will be IBM's responsibility.	Province option to take assignment of Third Party Contract, if assignable. IBM to pay all costs of assignment or termination costs.	Province option to take assignment of Third Party Contract, if assignable. Province to pay costs of assignment. If Province chooses to not take assignment of the Third Party Contract, IBM may continue or terminate contract. If IBM terminates the Third Party Contract, then Province to pay IBM the amount of the termination costs under the Third Party Contract. If IBM continues any Third Party Contracts then all costs associated with such Third Party Contract will be IBM's responsibility.	Province option to take assignment of Third Party Contract, if assignable. Province to pay costs of assignment.	IBM

Cost Item	Termination by IBM for Cause by Province (Situation 1)	Termination by Province for Cause by IBM (Situation 2)	Convenience for Province (Situation 3)	Expiry (Situation 4)	No Fault (e.g. extended Force Majeure) (Situation 5)
4. Unrecovered S/W and H/W Investment and other Sunk Costs					
Dedicated hardware owned by IBM. Dedicated hardware means any hardware that is used by IBM solely for the purpose of performing the Services. For certainty, Province will not accept a commercial lease assignment. If IBM commercially leases hardware the Province will not be responsible for any lease costs unless Province has previously agreed to the commercial lease terms in advance via a Change Order. For greater certainty, this is not meant to preclude the Province from buyouts (where applicable) of IBM notional internal leases for hardware that are consistent with standard accounting practice.	Province must purchase dedicated hardware owned by IBM at net book value if IBM so requires.	Province's option to purchase dedicated hardware owned by IBM at negotiated price otherwise IBM's responsibility.	Province must purchase dedicated hardware owned by IBM at net book value if IBM so requires.	Province's option to purchase dedicated hardware owned by IBM at negotiated price otherwise IBM's responsibility.	Province's option to purchase dedicated hardware owned by IBM at net book value otherwise pay IBM's unrecovered costs.

Cost Item	Termination by IBM for Cause by Province (Situation 1)	Termination by Province for Cause by IBM (Situation 2)	Convenience for Province (Situation 3)	Expiry (Situation 4)	No Fault (e.g. extended Force Majeure) (Situation 5)
Dedicated hardware redeployment/transfer costs For certainty, Province will not accept a commercial lease assignment. If IBM commercially leases hardware the Province will not be responsible for any lease costs unless Province has previously agreed to the commercial lease terms in advance via a change order. For greater certainty, this is not meant to preclude the Province from buyouts (where applicable) of IBM notional internal leases for hardware that are consistent with standard accounting practice.	Province shall pay for dedicated hardware redeployment/ transfer costs at IBM's preferred rates and expenses at cost i.e. rates for Hourly Services as set out in the agreement as applicable.	IBM shall pay for dedicated hardware redeployment/ transfer costs.	Province shall pay for dedicated hardware redeployment/ transfer costs at IBM's preferred rates and expenses at cost i.e. rates for Hourly Services as set out in the agreement as applicable.	Province's option; Province shall pay for dedicated hardware redeployment/ transfer costs at IBM's preferred rates i.e. rates for Hourly Services as set out in the agreement as applicable and expenses at cost.	Province's option; Province shall pay for dedicated hardware redeployment/ transfer costs at IBM's preferred rates i.e. rates for Hourly Services as set out in the agreement as applicable and expenses at cost.

Cost Item	Termination by IBM for Cause by Province (Situation 1)	Termination by Province for Cause by IBM (Situation 2)	Convenience for Province (Situation 3)	Expiry (Situation 4)	No Fault (e.g. extended Force Majeure) (Situation 5)
Dedicated Third Party Software Dedicated Third Party Software means Third Party Software used by IBM solely for the purpose of performing the Services. IBM must acquire the Third Party Software under standard commercial terms (i.e. no lump sum, one time payments or transfer fees), no post-expiry obligations (unless otherwise agreed by Province), and IBM must make reasonable efforts to negotiate assignment to the Province or the new ASP.	Province must take assignment of dedicated Third Party Software licenses from IBM at net book value if IBM so requires.	Province's option to take assignment of dedicated Third Party Software licenses from IBM at net book value otherwise IBM's responsibility.	Province must take assignment of dedicated Third Party Software licenses from IBM at net book value if IBM so requires.	Province's option to take assignment of dedicated Third Party Software licenses from IBM at net book value.	Province's option to purchase dedicated Third Party Software from IBM at net book value otherwise IBM's responsibility.
Dedicated Third Party Software redeployment/transfer costs Note: Two costs: - Cost of labour to de-install and re-install software (may be considered Transition Assistance) - Licence transfer cost	Province shall pay transfer costs. Province shall pay: IBM's preferred rates i.e. rates for Hourly Services as set out in the agreement as applicable and expenses at cost.	IBM pays all Dedicated Third Party Software redeployment/transfer costs.	Province shall pay transfer costs. Province shall pay: IBM's preferred rates i.e. rates for Hourly Services as set out in the agreement as applicable and expenses at cost.	Province, at its option; Province shall pay for transfer costs. For labour: Province, at its option, at IBM's preferred rates i.e. rates for Hourly Services as set out in the agreement as applicable and expenses at cost.	Province, at its option; Province shall pay for transfer costs. Otherwise IBM. For labour, at IBM's preferred rates i.e. rates for Hourly Services as set out in the agreement as applicable and expenses at cost.

Cost Item	Termination by IBM for Cause by Province (Situation 1)	Termination by Province for Cause by IBM (Situation 2)	Convenience for Province (Situation 3)	Expiry (Situation 4)	No Fault (e.g. extended Force Majeure) (Situation 5)
Shared hardware (including any and all redeployment and transfer costs at IBM's preferred rates i.e. rates for hourly services as set out in the agreement as applicable).	IBM shall pay all shared hardware costs. Province to acquire its own hardware; Province will not reimburse IBM for unused portion of shared hardware.	IBM shall pay all shared hardware costs. Province to acquire its own hardware; Province will not reimburse IBM for unused portion of shared hardware.	IBM shall pay all shared hardware costs. Province to acquire its own hardware; Province will not reimburse IBM for unused portion of shared hardware.	IBM shall pay all shared hardware costs.	IBM shall pay all shared hardware costs.
Shared Third Party Software including any and all redeployment and transfer costs at IBM's preferred rates (i.e. rates for hourly services as set out in the agreement as applicable). Shared Third Party Software means software used in the performance of the Services and other services.	Province to acquire its own software. If assignment/partial assignment is reasonably possible and Province so requests IBM will transfer the licenses to the Province at the Province's cost. Province will not reimburse IBM for unused portion of shared software.	IBM shall be responsible for its shared Third Party Software; licenses that can be transferred to the Province will be transferred at no cost to the Province; Province to acquire its own software licences where necessary.	Province to acquire its own software. If assignment/partial assignment is reasonably possible and Province so requests IBM will transfer the licenses to the Province at the Province's cost. Province will not reimburse IBM for unused portion of shared software.	Province to acquire its own software. If assignment/partial assignment is reasonably possible and Province so requests IBM will transfer the licenses to the Province at the Province's cost. Province will not reimburse IBM for unused portion of shared software.	Province to acquire its own software. If assignment/partial assignment is reasonably possible and Province so requests IBM will transfer the licenses to the Province at the Province's cost. Province will not reimburse IBM for unused portion of shared software.
5. Early Termination Fees	N/A	N/A	Province pays IBM Termination for Convenience Fees for the specific time period indicated Section 2.2(g) of Schedule F and Exhibit F-1 attached thereto.	N/A	N/A
6. Wind-Down Costs / Termination Assistance Fees					

Cost Item	Termination by IBM for Cause by Province (Situation 1)	Termination by Province for Cause by IBM (Situation 2)	Convenience for Province (Situation 3)	Expiry (Situation 4)	No Fault (e.g. extended Force Majeure) (Situation 5)
IBM Wind-down Costs Wind-down includes de-install hardware, software, telephone, network, close-up buildings, etc.	Province to pay IBM wind-down costs at IBM's preferred rates/project rates i.e. rates for hourly services as set out in the agreement as applicable and expenses at cost.	IBM to pay all IBM wind-down costs.	Province to pay IBM wind-down costs at IBM's preferred rates/project rates i.e. rates for hourly services as set out in the agreement as applicable and expenses at cost.	IBM to pay all IBM wind-down costs.	IBM to pay all IBM wind-down costs.
Termination Services Fees (for IBM transitioning services to Province/ASP).	Province's option at IBM's preferred rates/project rates i.e. rates for hourly services as set out in the agreement as applicable and expenses at cost. In accordance with Section 15.4.	Province option at IBM's preferred rates/project rates i.e. rates for hourly services as set out in the agreement as applicable and expenses at cost – may seek damages to the extent available at law.	Province's option at IBM's preferred rates/project rates i.e. rates for hourly services as set out in the agreement as applicable and expenses at cost.	Province option at IBM's preferred rates/project rates i.e. rates for hourly services as set out in the agreement as applicable and expenses at cost.	Province's option at IBM's preferred rates/project rates i.e. rates for hourly services as set out in the agreement as applicable and expenses at cost.
Alternate Service Provider Costs (for transitioning IBM services to Province)	Province shall pay transition costs.	Province shall pay transition costs. Province may seek damages to the extent available at law.	Province shall pay transition costs.	Province shall pay transition costs.	Province shall pay transition costs.
7. Province Costs					
Province's transition costs (including stranded costs)	Province shall be responsible for its transition costs and stranded costs.	Province shall be responsible for its transition costs and stranded costs. Province may seek damages to the extent available at law.	Province shall be responsible for its transition costs and stranded costs.	Province shall be responsible for its transition costs and stranded costs.	Province shall be responsible for its transition costs and stranded costs.

Schedule

P – Governance Structure and Process

1.0 Introduction

The Province and IBM agree that the effective implementation and administration of this Agreement will be facilitated by ongoing joint management through a defined governance model. The Province and IBM also agree that this governance model will be based on trust, openness, objectivity, integrity, flexibility and commitment. The governance structure and process are set forth in this Section.

2.0 Intent

The intent of the governance structure and process is to facilitate:

(a) the effective implementation of this Agreement including the establishment of a strategy for communicating and planning for major organization changes (i.e., people, processes, functions) associated with this Agreement;

(b) the development of organizational relationships through formal tools and techniques to support the initial establishment and ongoing leadership of the Province's and IBM's:

(i) IT goals and objectives; and

(ii) business goals, plans and strategies;

(c) a successful Transition; and

(d) periodic senior management review of and recommitment to the relationship.

3.0 Objectives

The objectives of the governance structure and process are to continually validate that:

(a) the results and benefits derived from this Agreement are consistent with the Province's and IBM's expectations and objectives;

(b) the goals, objectives, strategies, and plans of the Province and IBM are fully understood by the other;

(c) an effective contract and services management process exists including change, problem and crisis management, request for service and contract amendment

(d) an effective relationship management process exists including communication, decision making, reporting, measurement, issue resolution and dispute resolution processes; and

(e) this Agreement continues to provide a mutually recognized value proposition to Province and IBM throughout the Term.

4.0 Structure and Process

The Province and IBM agree to jointly establish a three-tiered governance structure to ensure that the operational, functional and strategic aspects of the Services are addressed. The governance structure shall consist of an executive sponsorship and a three-tiered management structure:

4.1 Executive Sponsorship

(a) Executive sponsorship shall provide overall relationship support and strategic guidance to the Joint Executive Steering Committee. The executive sponsors will attend the Joint Executive Steering Committee meetings on a semi-annual or annual basis, as they jointly determine necessary. They will have a place on the agenda to discuss strategic directions and provide general feedback and perspective to the Joint Executive Steering Committee.

4.2 Joint Executive Steering Committee

(a) The Province and IBM will jointly create an executive committee consisting of executives and senior management ("Joint Executive Steering Committee") who will focus on the Province's and IBM's long-term strategic plans as they relate to the Services and ensure that such plans remain consistent with the goals, objectives, strategies and plans of the Province and IBM. On or before the Signing Date, the Province and IBM will identify the titles of the initial members of the Joint Executive Steering Committee and will, within 60 days after Signing Date, agree upon a process for replacement of the members. Decisions of the Joint Executive Steering Committee will be made by mutual agreement. Quorum for meetings of the Joint Executive Steering Committee will be determined by the Committee from time to time taking into consideration authorization/approval level requirements.

(b) The Joint Executive Steering Committee will:

(i) convene at least quarterly for the first 12 months after signing and at least semiannually thereafter to promote effective relationship management and validate progress towards joint strategic initiatives;

(ii) within 90 days of the Commencement Date establish an operating plan and a strategic plan. Conduct annual reviews of these plans, along with the governance structure and the Service Levels as prepared by the Project Executives;

(iii) share strategies, as appropriate, and jointly develop new or adjust the existing Province and IBM Services strategy;

(iv) consider and recommend amendments to the Agreement necessary to maintain alignment of the Province's and IBM's expectations and shared goals;

(v) upon the Province's or IBM's request, assist in resolving any disputes or significant issues arising from the interpretation or implementation of this Agreement; and

(vi) review the overall operational performance of this Agreement as well as issues requiring joint mutual action.

4.3 Joint Program Office

(a) The Province and IBM will jointly establish a project office consisting of members from the Province and IBM ("Joint Program Office") who will focus on the overall operational performance of the Services. The Joint Program Office will be lead by the CITS Line of Business owner and the Project Executive. On or before the Signing Date, the Province and IBM will identify the titles of the initial members of the Joint Program Office and will, within 60 days after the Signing Date, agree upon a process for replacement of the members. Decisions pf the Joint Program Office will be made by mutual agreement. It is also the desire of the Parties to co-locate their offices at the location of the CITS Line of Business owner's primary location if space is available.

(b) The Joint Program Office will:

(i) conduct monthly reviews of operational performance, progress towards project objectives, and organizational linkages required for efficient, interdependent performance where required;

(ii) convene quarterly to develop, prioritize and approve tactical plans;

(iii) develop the operating and strategic plans and present an executive summary of the plans to the Joint Executive Steering Committee for review;

(iv) provide advice on workload forecasting and demand management as appropriate to the Joint Executive Steering Committee;

(v) provide advice on technology direction and input to the Joint Executive Steering Committee;

(vi) provide relationship leadership and stakeholder management to the Province's line of business and the IBM organization;

(vii) be an escalation point for service operations issues; and

(viii) sponsor appropriate working groups as deemed necessary to address operational or technical issues, and to enhance the Province's and IBM's relationship.

4.4 Joint Service Delivery Management Team

(a) The Province and IBM will jointly establish a service delivery management team lead by the Province's Delivery Manager and the IBM Delivery Project Executive (" Joint Service Delivery Management Team") who will focus on the day to day delivery of the Services. On or before the Signing Date, the Province and IBM will identify the titles of the initial members of the Joint Service Delivery Management Team and will, within 60

days after the Signing Date, agree upon a process for replacement of the members. Decisions of the Joint Service Delivery Management Team will be made by mutual agreement.

(b) The Joint Service Delivery Management Team will:

(i) convene at least weekly to provide oversight and ongoing assessment of the service operations;

(ii) conduct monthly reviews with the Joint Program Office to advise on operational performance, progress towards project objectives, and organizational linkages required for efficient, interdependent performance where required;

(iii) provide input to the Joint Program Office for the development of the operating and strategic plans;

(iv) provide advice on workload forecasting and demand management to the Joint Program Office;

(v) provide advice on technology direction and input to the Joint Program Office;

(vi) provide services management interface to the Province's line of business and the IBM organization;

(vii) manage issues and minimize escalations to the Joint Program Office; and

(viii) interface with peer service delivery teams and technical sub committees to ensure interlock on related technical activities and plans.

4.5 General Service Delivery Responsibilities

IBM Responsibilities

IBM will:

1. administer the Change Order Process, as described in this Agreement and include monthly reports, as described in Operational Reporting;

2. determine approaches and solutions in co-operation with the Province Focal Point for new Projects or New Service requirements;

3. resolve open Service issues brought forward by the Province Project Executive and escalate to the appropriate IBM organizations or in cooperation with the Province escalate to other Client; and

4. be financially responsible for any space and real estate support costs proportionate to the space consumed by the IBM management team in Facilities;

The Province Responsibilities

The Province will:

1. provide and update IBM on the escalation paths within the Province's organizations for any Services that are dependant on any Province or Client service, including but not limited to SPANBC, shared file and print and iProcure; and

2. provide IBM with monthly invoices, as when and where appropriate, for any space and other agreed to building occupancy costs proportionate to the space consumed by the IBM management team on government premises.

Schedule

Q – Form of Certificate of Insurance

See attached form.

BRITISH COLUMBIA CERTIFICATE OF INSURANCE

Freedom of Information and Protection of Privacy Act
The personal information requested on this form is collected under the authority of and used for the purpose of administering the *Financial Administration Act*. Questions about the collection and use of this information can be directed to the Manager, Consulting and Advisory Services, at 250 356-8915, PO Box 9405 STN PROV GOVT, Victoria BC V8W 9V1.
Please refer *all other questions* to the contact named in Part 1.

Part 1 To be completed by the Province

THIS CERTIFICATE IS REQUESTED BY and ISSUED TO *(Name of office)*	CONTRACT/PERMIT/LICENCE/IDENTIFICATION NO.
PROVINCE'S CONTACT PERSON NAME & TITLE	PHONE NO ( ) FAX NO ( )
ADDRESS	POSTAL CODE
CONTRACTOR NAME	
CONTRACTOR ADDRESS	POSTAL CODE

Part 2 To be completed by the Contractor's Agent or Broker

INSURED	NAME	
	ADDRESS	POSTAL CODE
OPERATIONS INSURED	PROVIDE DETAILS	

TYPE OF INSURANCE *List each separately*	COMPANY NAME, POLICY NO. & BRIEF DESCRIPTION	EXPIRY DATE YYYY/MM/DD	LIMIT OF LIABILITY/AMOUNT

This certificate certifies that policies of insurance as herein described have been issued to the insured(s) named above, are in full force and effective as of the effective date of the contract/permit/licence, and comply with the insurance requirements of the contract/permit/licence except as follows:

AGENT OR BROKER COMMENTS:

SIGNED BY THE AGENT OR BROKER ON BEHALF OF THE ABOVE INSURER(S)	DATE SIGNED

Schedule
R – Privacy Obligations

Pursuant to the provisions of Section 14.6 (*Privacy Obligations For Personal Information*) of the Agreement, the Parties acknowledge and agree that the provisions of this Schedule R (*Privacy Obligations*) shall not apply to IBM unless and only to the extent expressly adopted by the Parties through the Governance Process described in Section 15.6 (*Privacy Obligations For Personal Information*), which shall be documented in a Change Order.

1. General Purpose

The purpose of the provisions of this **Schedule R** is to set forth the framework for the obligations of IBM relating to the protection of Personal Information to ensure that the Personal Information is not disclosed other than in the ordinary course of providing the Services in accordance with the provisions of the Agreement, as may be directed by the Province, as may be permitted under the Applicable Laws (including the *Freedom of Information and Protection of Privacy Act* (British Columbia)), or strictly in accordance with policies or procedures expressly approved by the Province (collectively, the "**Privacy Obligations**").

2. Acknowledgements

The Parties acknowledge that:

(a) the Province is obligated to protect Personal Information pursuant to privacy legislation;

(b) the Personal Information includes records relating to the provision of the Services and other Personal Information to which IBM has been provided with access to and/or Custody of under the terms of the Agreement;

(c) the Personal Information may include highly sensitive confidential information;

(d) the Province has been entrusted with Control and Custody of the Personal Information in order that the Province may serve the customers and the Client Ministries;

(e) the Personal Information is collected, used, disclosed, and otherwise managed by the Province on behalf of the customers and the Client Ministries (as applicable);

(f) this Agreement is premised on, and must continue to maintain the Province's and IBM's commitment to, maintain the privacy and security of the Personal Information; and

(g) nothing in this Schedule shall require IBM or any Subcontractor to act contrary to Applicable Law.

3. IBM Commitment

In order to protect Personal Information while in the Custody of IBM, the Province has required IBM's commitment, and IBM has committed, to taking the measures set forth in the Agreement and has agreed to by the Parties in the IBM Privacy Management Plan (defined below).

4. Conflicts

Notwithstanding the provisions of Section 1.11 of the Agreement (*Document Conflicts*), if there is a conflict or inconsistency between these Privacy Obligations and the provisions of the Agreement or any other Schedule attached to the Agreement, then the provisions of these Privacy Obligations as implemented by the Parties in accordance with the IBM Privacy Management Plan shall govern. The Change Order Process shall be applied to approve and implement any changes to IBM's commitments as set forth in the IBM Privacy Management Plan.

5. Directives

The Province may at any time, in accordance with Section 8.3 (*Province's Right to Issue Directives*) of the Agreement, request an amendment to the Privacy Obligations upon reasonable prior written notice (under the circumstances) to IBM. Such amendments shall be approved and implemented in accordance with the Change Order Process.

6. Protection of Personal Information

IBM must protect Personal Information by making reasonable security arrangements against such risks as unauthorized access, collection, use, disclosure or disposal, including any expressly set out in the Agreement.

7. Retention of Personal Information

Unless the Agreement otherwise directs in writing, IBM must retain Personal Information until directed by the Province in writing to dispose of it or deliver it as specified in the direction.

8. Use of Personal Information

Unless the Province otherwise directs in writing, IBM may only use Personal Information if that use is:

(a) for the performance of IBM's obligations, or the exercise of IBM's rights, under the Agreement; and

(b) in accordance with Section 14.4 (*Collection, Storage, Removal of Personal Information*) of the Agreement.

9. Accuracy of Personal Information

IBM must make every reasonable effort to ensure the accuracy and completeness of any Personal Information to be used by IBM or the Province to make a decision that directly affects the individual the information is about.

10.. Correction of Personal Information

Within five (5) Business Days of receiving a written direction from the Province to correct or annotate any Personal Information, IBM must annotate or correct the information in accordance with the direction.

When issuing a written direction under this section, the Province must advise IBM of the date the correction request to which the direction relates was received by the Province in order that IBM may comply with this section.

Within 5 business days of correcting or annotating any Personal Information under this section, IBM must provide the corrected or annotated information to any party to whom, within one year prior to the date the correction request was made to the Province, IBM disclosed the information being corrected or annotated.

If IBM receives a request for correction of Personal Information from a person other than the Province, IBM must promptly advice the person to make the request to the Province and, if the Province has advised IBM of the name or title and contact information of an official of the Province to whom such requests are to be made, IBM must also promptly provide that official's name or title and contract information to the person making the request.

11. Inspection of Personal Information

In addition to any other rights of inspection the Province may have under the Agreement or under statute, the Province may, at any reasonable time and on reasonable notice to IBM, enter on IBM's premises to inspect any Personal Information in the possession of IBM or any of IBM's information management policies or practices relevant to its management of Personal Information or its compliance with this section and IBM must permit, and provide reasonable assistance to, any such inspection.

12. Anticipatory Disclosure of Personal Information

Where the Province determines, acting reasonably, that there is a risk that the Personal Information may be disclosed by IBM contrary to the terms of this Agreement, then the Province shall have the right and authority to take all actions necessary to prevent such disclosure including, without limitation, proceeding directly to court in respect of such potential disclosure for injunctive relief or other equitable remedies available only in the discretion of the court.

13. Compliance Certificate

IBM shall deliver a compliance certificate to the Province in each Contract Year within three (3) months of the expiry thereof, which confirms, among other things, IBM's compliance with these Privacy Obligations and any other similar obligations contained in the provisions of the Agreement. IBM acknowledges that the Province shall have the right pursuant to Article 15

(*Maintenance of Records and Audit Rights*) of the Agreement no more than once in every Contract Year, to conduct an audit, which confirms, among other things, IBM's compliance with then applicable Privacy Obligations and any other similar obligations contained in the provisions of the Agreement.

14. Flow Down of Obligations

The obligations contained in the following shall be flowed down by IBM to any Subcontractors who, during the Term, may have authorized access to Personal Information in the performance of the Services, to the extent applicable to each Subcontractor given the nature of the Services provided by it: paragraphs 6, 7, 8, 11, 12, 13, 16 of these Privacy Obligations and (unless agreed otherwise by the Province through the Governance Process on a case by case basis where a particular Subcontractor has adequate training in place), 18, 19(b), 20 (a) – (c) of these Privacy Obligations (unless agreed otherwise by the Province through the Governance Process on a case by case basis where a particular Subcontractor has adequate security standards in place), 20(f) – (i), 20(k), 21, 22(a) – (g), 23, 26(a), 27(c), 28 of these Privacy Obligations (as applicable to Subcontractors), 29(a) – (c), 32 of these Privacy Obligations (as applicable to Subcontractors), 35, 37, 38 (to the extent applicable), 40 (provided that notice be given by the Subcontractor to IBM and from IBM to the Province), 41 and 42. All rights of the Province flowed down to such Subcontractors must be granted in writing by the Subcontractors directly to the Province in order that all obligations of IBM contained in such paragraphs are read as direct obligations of such Subcontractors.

15. Subcontractor Direct Agreement

Each Subcontractor who would have access to Personal Information shall enter into a direct agreement with the Province prior to providing any Services or engaging in any activities with respect to the Services or the Agreement. The form of the direct agreement shall be as established by the Province from time to time, and provided to IBM. Any approval of a Subcontractor by the Province as required under the Agreement shall be conditional upon the Province's receipt of a fully signed copy of such direct agreement.

16. IBM Privacy Management Plan

IBM shall develop and maintain plans, policies and procedures specific to privacy and security ("**IBM Privacy Management Plan**"), that are consistent with the Agreement (including the applicable Privacy Obligations), and that include protocols and procedures to be followed in the event of a use or disclosure of Personal Information contrary to the provisions of paragraph 6 above. IBM shall make such policies and procedures available for review (at IBM's premises) by the Province, upon the request of the Province from time to time. IBM shall advise the Province through the Governance Process of any material changes that it makes to such policies and procedures. Any changes to such policies and procedures requested by the Province shall be approved and implemented in accordance with the Change Order Process.

17. Additional Training

In addition to the training requirements set forth in the Agreement, IBM shall provide training that includes training of all Personnel and External Personnel in all aspects of privacy and security set forth in these Privacy Obligations as then applicable and as may be appropriate to their job function.

18. Testing and Development Work

If during the Term IBM engages in development work as part of the Services under the Agreement then, IBM shall only use non-Personal Information or non-personally identifiable data for any non-production purpose including, without limitation, application testing, development, maintenance and training environments. IBM shall not use any Personal Information for these purposes unless expressly approved by the Province.

19. Risk Assessment

IBM shall, throughout the Term (as applicable):

(a) conduct a risk assessment in accordance with ISO17799:2000 standards (as revised and replaced from time to time) prior to the Permanent Move Date and prior to implementation of any material technology changes or business transformation changes; and

(b) cooperate with the Province in conducting SysTrust Audits.

Notwithstanding the foregoing, the Province shall have the right to conduct, at its own expense, its own risk and control reviews or other security reviews to its satisfaction. The conduct of any such reviews by the Province pursuant to these Privacy Obligations, or otherwise in accordance with the audit, inspection and investigation provisions contained in Article 16 (*Maintenance of Records and Audit Rights*) of the Agreement, shall in no way limit or otherwise diminish IBM's obligation to comply with the Privacy Obligations and other provisions of the Agreement.

20. Security Generally

IBM shall make arrangements to maintain the security of the Personal Information that is in its Custody, or that it otherwise has access to, by protecting the Personal Information against such risks as unauthorized access, collection, use, duplication, modification, disclosure or disposal. In particular, IBM shall undertake the following (except to the extent expressly authorized otherwise under the terms of this Agreement, or as otherwise agreed to between the Parties):

(a) meet or exceed the codes of practice for information security management outlined in ISO/IEC 17799:2000 (as revised or replaced from time to time);

(b) meet or exceed the security policies, standards, guidelines and practices of the Province as outlined in the Province's Core Policy Manual, particularly sections 12 and 15 thereof (http://www.fin.gov.bc.ca/ocg/fmb/manuals/CPM/CPMtoc.htm, and the Information Technology Security Policy (ITSP; http://www.cio.gov.bc.ca/prgs/ITSP.pdf), as the same may be amended, revised or replaced from time to time up upon notice to IBM;

(c) at the request of the Province and approved and implemented through the Change Order Process, adopt one or more recommendations of the British Columbia Privacy Commissioner, as appropriate, found in the "Guidelines for Data Service Contracts", OIPC Guideline 01-02, as such guidelines may be amended, updated or replaced from time to time;

(d) assess and adopt privacy enhancing technologies and cryptographic controls over the Term to improve security and restrict access to Personal Information to Authorized Personnel, as approved and approved and implemented in accordance with the Change Order Process;

(e) follow directions from the Province from time to time in accordance with Section 8.3 (*Province's Right to Issue Directives*) of the Agreement, with respect to security requirements, which shall be implemented in accordance with the Change Order Process;

(f) have in place all necessary network controls and other security to maintain the level of security required for the classification level of the Personal Information being handled and any changes to the classification level of the Personal Information shall be dealt with in accordance with the Change Order Process;

(g) except as otherwise permitted under the Agreement or as may be approved by the Province, require that all storage of Personal Information, including Personal Information in the Custody of IBM, shall remain at all times in Canada, as required pursuant to the terms of the Agreement;

(h) require that any Personal Information is removed from IBM's or its Subcontractors' systems upon the Termination of the Agreement, within an agreed period of time, and in accordance with the Termination Assistance Plan or under Section 14.4 (*Collection, Storage, Removal of Personal Information*);

(i) require that the equipment and telecommunications facilities used by IBM or its Subcontractors in the delivery of the Services (which are owned by or otherwise in the custody or control of IBM or its Subcontractors) which host, transmit, Store or otherwise make available any Personal Information are secured by, for example, an electronic card access system, combination lock, lock and key, or other similar physical security measure;

(j) require the currency of critical software such as installation of patches and virus software updates on a timely basis, and the proactive monitoring of vendor alert services; and

(k) manage the Services and monitor the Authorized Personnel to prevent and detect security breaches such as unauthorized access to Personal Information, and incorporate procedures to require that all access to Personal Information is given only to Authorized Personnel, and to promptly revoke access to any such Persons when no longer required.

21. Physical and Environmental Security

IBM shall documents, maintain and enforce policies that require, throughout the Term:

(a) data rooms where Personal Information is Stored (collectively, the "**Secured Facilities**"), shall have appropriate physical and environmental security controls such as air conditioning, UPS/power generators, surge protection, and fire

protection, where **"Store"** or **"Storage"** does not mean storage on a temporary basis such as caching for ephemeral or immediate processing purposes;

(b) all access to the Secured Facilities is restricted. In addition to the other obligations set forth in the Agreement and these Privacy Obligations, IBM shall require that the Secured Facilities have adequate physical security controls such as keys, entry cards and other similar controls; and

(c) Authorized Personnel are prohibited from bringing into or removing from the Secured Facilities any electronic data storage devices that may be used to copy or transport any Personal Information.

22. Secured Databases

IBM shall develop, maintain and enforce policies, standards and guidelines relating to IBM controlled Systems that Store Personal Information (**"Secured Databases"**). Secured Databases does not include workstations or Systems that have access to but do not Store (except temporary storage for ephemeral or immediate processing purposes) Personal Information, except as agreed to by both Parties. IBM's policy shall:

(a) require that no Personal Information is stored by Authorized Personnel laptops, PDAs, or any other mobile computing devices unless authorized under or pursuant to the terms of the Agreement or otherwise approved by the Province;

(b) identify all Secured Databases including serial numbers;

(c) logically segregate the storage of Personal Information from non-Personal Information;

(d) protect Secured Databases in accordance with the authentications standards set by the Province;

(e) require that an IBM firewall is in place between IBM owned and operated networks storing Secured Databases and other networks such as SPAN/BC;

(f) authorize and control user remote access to Secured Databases (to the extent that such remote access may be controlled from a technical perspective). No remote access to any Secured Databases shall be granted until such time as the Province has provided such approval. For greater certainty:

(i) no Secured Databases may be connected to the Internet or to any wide area network except as protected by firewalls, application servers and other appropriate security controls, and

(ii) no Secured Databases may be hosted on hardware that also hosts email, Internet, or other wide area server applications, or other generally accessible local area server applications, and for greater clarification, IBM shall not store any Secured Databases on a Microsoft exchange server or other servers of similar functionality;

(g) require that Secured Databases are not removed from Secured Facilities except as may be mutually agreed by the Parties;

(h) require that all Secured Databases shall not have any active writeable/recordable removable data storage devices (such as floppy drives, CD or DVD burners), and all USB or other ports to which external storage devices (such as external hard drives) may be connected must be disabled for such use, except where required to perform the Services (such as for authorized back-up of Personal Information);

(i) require that, prior to disposal or redeployment of storage devices, all Personal Information is erased from Secured Databases using approved disk erasure procedures (for example, overwrite and inspection procedures); and

(j) require that any processing systems used to provide the Services that are shared with other clients of IBM or any Subcontractor are partitioned in such a way to allow only Authorized Personnel to access any Personal Information.

For purposes hereof "**remote access**" means access to Secured Databases from locations outside of the networks protected by IBM and as specifically approved by the Province. These protected networks include, without limitation, the approved service locations.

23. Transmission and Back-ups of Personal Information

IBM shall develop, maintain and enforce policies, standards and guidelines that require that throughout the Term:

(a) all individual items of hardware or storage media that Store Personal Information and that are permitted, pursuant to the Agreement or to these Privacy Obligations, to be removed from Secured Facilities ("**Secured Media**"), such as for purposes of off-site back-up. Access to Secured Media shall be restricted by password or, where password protection is not possible given the nature of the Secured Media, either (i) the Secured Media shall be protected using physical security measures that prohibit use of the media or access to the Personal Information contained thereon, or (ii) the Personal Information contained thereon shall be encrypted using cryptography that meets or exceeds the adopted cryptography standards of the Province;

(b) no Personal Information is transmitted outside Canada, over the Internet or any other wide area network (other than SPAN/BC or similar Province provided networks), whether by email or otherwise, unless using cryptography that meets or exceeds the adopted cryptography standards of the Province; and

(c) no Personal Information is backed-up at any location outside of Canada unless specifically permitted under or pursuant to the terms of the Agreement, or as may otherwise be approved by the Province.

24. Internet and Email

IBM shall develop, maintain and enforce policies, standards and guidelines that require that Authorized Personnel do not have access to the Internet or to outbound email from the

workstations in which they access Personal Information, unless such access is specifically required to perform their job functions, and all such Internet or email access shall be subject to logs that enable IBM and, where appropriate, the Province to identify the time and connection details of any Internet and email activities of Authorized Personnel.

25. Wireless Network Controls

IBM shall develop, maintain and enforce policies, standards and guidelines requiring IBM owned and operated wireless networks containing Personal Information to comply with the adopted standards with the Province.

26. Secured Database and Media Records

IBM shall develop, maintain and enforce policies, standards and guidelines that require that records are maintained as necessary to:

(a) identify all Secured Media (identified by unique catalogue number); and

(b) describe the amount and nature of Personal Information contained on the Secured Media.

27. System and Logs

IBM shall record and maintain user access records/logs ("**System Logs**") with respect to all electronic Personal Information for the purpose of audit and investigations by the Province. IBM shall require that IBM developed applications with Personal Information shall conform to paragraphs (a) – (c) below, and that any applications delivered to IBM that support an audit trail shall continue to have such support. The Systems Logs shall include, at a minimum, the following:

(a) the time of each application entry, modification, and duplication of Personal Information and the user ID performing the function;

(b) at the request of the Province through the Change Order Process, the time in which Personal Information is accessed within the application including the identity of the Personnel gaining the access;

(c) the identify of the Authorized Personnel and the time of such Authorized Personnel's log-on to and log-off from Secured Databases; and

(d) logs of individuals who access any Secured Facility (such as sign-in logs, whether paper or electronically based).

IBM shall retain two (2) years worth of System Logs throughout the Term and for a minimum of two (2) years thereafter unless otherwise agreed to in writing by the Province, and shall make information from such logs available to the Province, in a timely manner and at the cost of the Province from time to time, upon request.

28. Notification

IBM shall develop, maintain and enforce policies, standards and guidelines that require that the IBM developed systems that Store or provide access to Personal Information shall have mechanisms in place to provide notification to a Person or Persons designated by the Province through the Governance Process in the event of specific irregular actions such as irregular access, large scale copying or other similar activities with respect to Personal Information. For purposes thereof, IBM shall require that its Subcontractors who have access to Personal Information report any such irregular actions to IBM, and IBM shall report the same forthwith to the Province in accordance with the foregoing.

29. Limiting Access to Authorized Personnel

Except as expressly permitted in this Agreement or as expressly approved by the Province, and subject to any additional requirements set out in the Agreement, IBM shall require that the Personal Information may be accessed only by individuals ("**Authorized Personnel**") who:

(a) are Personnel who are employees of IBM or ISM, who have entered into a Confidentiality Covenant (as defined below), Independent Contractors or employees of [Microserve or Tecnet, or their respective Affiliates] who have entered into an External Confidentiality Covenant (as defined below), or other External Personnel of a Subcontractor who has entered into a direct agreement with the Province as contemplated in paragraph 10 above;

(b) are not US Personnel (as defined in paragraph 35 below); and

(c) have a need to access the Personal Information in order to perform their job tasks (provided that such job tasks are in furtherance of the Services and are not inconsistent with the terms or the purpose of these Privacy Obligations).

30. Monitoring of Telephone Calls

IBM shall restrict telephone monitoring to Authorized Personnel and will require that any Personal Information obtained from such monitoring is:

(a) not Stored at any location other than those locations expressly permitted by the Province; and

(b) only used by or disclosed to Authorized Personnel. IBM shall maintain and enforce policies that prohibit the use or disclosure of any sensitive monitored information by its Authorized Personnel.

31. Confidentiality Covenants

All Personnel who require access to Personal Information shall be required to sign direct agreements with the Province in a form approved by the Province (the "**Confidentiality Covenants**"). The Confidentiality Covenants shall contain non-disclosure obligations along with express obligations to advise the Province directly in the event that the Person becomes aware of any potential disclosure of Personal Information. IBM shall not permit any Personnel to engage in any activities with respect to the Services or the Agreement nor have any access to Personal

Information until such time as a Confidentiality Covenant has been signed and delivered by the Personnel to IBM. IBM shall provide the Province with signed copies of such agreements upon request. All Personnel shall be required to reconfirm in writing their Confidentiality Covenants on an annual basis.

32. External Confidentiality Covenants

All External Personnel who are Independent Contractors and External Personnel of such new Subcontractor as may be requested by the Province from time to time (acting reasonably but having regard to all of the surrounding circumstances), who have access to Personal Information shall be required to sign direct agreements with the Province in a form approved by the Province (the "**External Confidentiality Covenant**"). The External Confidentiality Covenants shall contain non-disclosure obligations along with express obligations to advise the Province directly in the event that the Person becomes aware of any potential disclosure of Personal Information. IBM shall not permit any such External Personnel to have any access to any Personal Information until such time the relevant External Personnel referred to above in this paragraph have signed an External Confidentiality Covenant and all such signed agreements have been delivered to IBM. IBM shall provide the Province with signed copies of such agreements upon request. All External Personnel who are required by this paragraph to sign an External Confidentiality Covenant shall reconfirm in writing their External Confidentiality Covenants on an annual basis.

33. Whistleblower Protection

IBM shall include in or supplement its employee agreements with its Personnel the specific language with respect to privacy and confidentiality of the Personal Information, which language may take the form of a unilateral agreement by IBM to the Personnel. The language shall provide for precedence of the provisions of the Confidentiality Covenant pertaining to the obligation to protect privacy and confidentially of Personal Information over any agreement that IBM has with the Personnel.

34. Security Clearances

At the request of the Province, acting reasonably, IBM shall perform or cause to be performed security clearances for all Personnel and External Personnel who have significant access rights to Personal Information, such as database administrators, programmers, and other technology support Personnel and External Personnel. The scope of the Personnel and External Personnel subject to security clearances and the nature of the security clearances conducted on such individuals shall be as agreed to between the Parties pursuant to the Governance Process, or as may be otherwise required in accordance with any Applicable Laws of Canada or British Columbia.

35. US Personnel

US Personnel are individuals who have entered into an employment agreement, whether express of implied by law, with a Person of the United States ("**US Personnel**"). Subject to Applicable Laws, no Personnel or External Personnel who are US Personnel shall have any access to Personal Information at any time unless required and expressly approved in advance by the Province pursuant to the terms of the Agreement or otherwise. Where US Personnel are required for the performance of the Services, IBM shall provide dummy data to the extent possible, such as by replacing Personal Information (such as names, phone numbers and addresses) with

identifiers, or utilizing other means as reasonably directed by the Province through the Governance Process. Any approved US Personnel shall only access Personal Information from an approved Province Facility or IBM Facility, as the case may be. Under no circumstances shall any US Personnel:

(a) have remote access to Personal Information; or

(b) be permitted at any time to copy, export or otherwise remove or send any Personal Information from an approved Province Facility or IBM Facility, as the case may be.

US Personnel shall only be permitted to: (i) access or request Personal Information, or (ii) access a Secured Data Base, when escorted and generally supervised by Authorized Personnel.

36. Paramountcy of Obligation to Protect Personal Information

IBM acknowledges that its applicable policies, education and training of Authorized Personnel, and all policies and agreements applicable to Personnel and External Personnel, shall reflect the obligations of the Personnel pursuant to the Confidentiality Covenants and the External Confidentiality Covenants (as applicable), which may require them to act in a manner that is contrary to the interests of IBM (for example, because the fulfillment of such obligations may result in remedies being assessed against IBM under the terms of the Agreement). The Parties shall not, throughout the Term:

(a) discipline or discourage Authorized Personnel from acting in accordance with:

(i) provisions of the Confidentiality Covenant or the External Confidentiality Covenant pertaining to the protection of the privacy and confidentiality of the Personal information, or

(ii) IBM's obligations to the Province pursuant to these Privacy Obligations; or

(b) impose or permit to be imposed on any Authorized Personnel any obligation that is inconsistent with or that materially adversely affects his or her ability to fulfill:

(i) his or her obligations to the Province pursuant to a Confidentiality Covenant or External Confidentiality Covenant (as applicable), or

(ii) IBM's obligations to the Province pursuant to these Privacy Obligations.

37. Data Sharing

Except as may be provided otherwise under the Agreement or the Transaction Documents, or as may be explicitly approved by the Province through the Governance Process, under no circumstances shall IBM enter into any relationship, contractual or otherwise, with any other Person involving data sharing or data access with respect to the Personal Information.

38. Collection of Personal Information

Except as may be provided otherwise in the Agreement or as may otherwise be directed by the Province in writing pursuant to the Governance Process, IBM shall not collect or create any Personal Information in the performance of the Services (other than Personal Information that is necessary for the performance of IBM's obligations, or the exercise of IBM's rights, under the Agreement). IBM shall:

(a) collect such Personal Information directly from the Person to whom the Personal Information relates;

(b) inform the Person from whom IBM collects Personal Information:

(i) the purpose for collecting the information,

(ii) the legal authority for collecting the information,

(iii) that IBM is collecting the information on behalf of the Province, and

(iv) the title, business address and business telephone number of the Person designated by the Province to answer questions about IBM's collection of such Personal Information; and

(c) make every reasonable effort to ensure the accuracy and completeness of Personal Information collected by IBM in respect of the Services.

39. Complaints and Investigations

Subject to the provisions of paragraph 5 *(Directives)* above, in the event of a dispute between either IBM and an individual or the Province and an individual, or an investigation or other proceeding before a Privacy Commissioner or other institution or authority, concerning the collection, use, disclosure, or otherwise in respect of Personal Information, IBM shall defend and advocate the lawfulness of its Personal Information handling practices and its policies and procedures, as well as those of the Province, through all available means of dispute resolution as provided for by Applicable Laws, all in cooperation with and as directed by the Province.

40. Non-Compliance Reports

IBM shall immediately report to the Province through the Governance Process of any known breach of the requirements of these Privacy Obligations, disclosure of Personal Information, potential disclosure of Personal Information or other risk with respect to the disclosure of Personal Information. If for any reason IBM does not comply, or anticipates that it will be unable to comply, with a term of these Privacy Obligations in any respect, then IBM shall promptly notify the Province of the particulars of such non-compliance or anticipated non-compliance, and the steps that IBM proposes to take to address, or prevent recurrence of, the non-compliance or anticipated non-compliance.

41. Inspections

In accordance with the principles set forth in Article 16 *(Maintenance of Records and Audit Rights* of the Agreement, the Province may, at any time and upon reasonable prior notice to IBM enter IBM's premises, or the premises of any Subcontractor performing the Services who has access to Personal Information, to inspect the Personal Information in the custody of any such Person, or to inspect any of the information management policies or practices of such Person relevant to its management of Personal Information or its compliance with these Privacy Obligations, as applicable, and all such Persons shall (and IBM shall cause them to) permit, and provide reasonable assistance to, any such inspection. The applicable provisions of Article 16 (*Maintenance of Records and Audit Rights*) of the Agreement shall apply to any such inspections.

42. Prohibition Against Foreign Affiliates

IBM shall, and shall cause its Subcontractors who have access to Personal Information to, prohibit or otherwise restrict, their foreign Affiliates from accessing any Personal Information and require that such Personal Information is at all times in the custody of a Canadian Entity, except as may be expressly permitted otherwise under the terms of the Agreement or these Privacy Obligations.

43. Organizational Structure of IBM and Subcontractors

For so long as IBM, ISM or any Subcontractors have access to any Personal Information in connection with the performance of the Services under this Agreement, ISM and such Subcontractors shall be and remain directly controlled, as to their voting shares (as control is defined in the British Columbia Business Corporations Act), by a Canadian Person, and any failure of ISM or such Subcontractor to remain so controlled shall be deemed to be an Event of Termination under Section 18.1 (*Events of Termination*), and shall give rise to the right of the Province to terminate this Agreement pursuant to Section 18.2 (*Remedies of the Province*); provided that in the case of a Subcontractor, IBM shall not be or be deemed to be in Material Breach of this Agreement if such Subcontractor is replaced forthwith or otherwise is prohibited and restricted from obtaining access of any kind to the Personal Information. In addition, at all times while IBM, ISM or any such Subcontractor is providing the Services or otherwise has access to Personal Information hereunder, ISM or such Subcontractor shall ensure that it is not directly controlled by a non-Canadian Person.

44. Notice of Non-Compliance

If for any reason IBM does not comply, or anticipates that it will be unable to comply, with a provision in this section in any respect, IBM must promptly notify the Province of the particulars of the non-compliance or anticipated non-compliance and what steps it proposes to take to address, or prevent recurrence of, the non-compliance or anticipated non-compliance.

IBM must comply with the provisions of this section despite any conflicting provision of this Agreement or the law of any jurisdiction outside Canada.

Schedule
S – Operational Reporting

1.0 Introduction

The operational reporting system is designed to provide the Province, specifically the CITS management team and the various Ministries, with a clear and consistent view of the reporting information related to the Services.

The reporting system consists of 3 separate interrelated reporting delivery mechanisms:

1. A digital dashboard accessible by both Province management staff and a limited number of Client to a maximum of 60 Client Users.

2. Monthly enterprise level reports which include:

   - the operations report; and

   - the operational configuration change activity report:

   The operations report will provide information assessing IBM's performance during the previous calendar month against Service Level Requirements and Service Level Objectives targets. This report will be distributed to the Province and is an enterprise wide report. This report will contain information and metrics on each Service area, results from any root cause analysis performed on missed Service Level Requirements and trending information with interpretive comments related to the impact on the Services from the Province business initiatives. The monthly operations report will also include management information from the asset management database.

   The operational configuration change activity report will provide information on the quantity and relative success of change events that either impacted the Services or were related to the provisions of the Services. This report will be based on the previous month's Operational Change Management activity and will be created from or modified from the operational configuration change activity reports provide by the Province Operational Change Management system. The stock reports produced by the Province Operational Change Management system may be annotated by IBM as required.

3. The quarterly Client report is a report that provides detailed information by Ministry. Additional groups such as a Province Agency may be added subject to mutual agreement or by following the Change Order Process. As of the Commencement Date are 21 different Client units receiving Services. These Client Units are listed below in Exhibit S-1. The quarterly Client level report provides only statistical information. This report includes information related to the Client subscribed Services, where such Services have reportable characteristics and have been listed by the Province as included in the Client report.

2.0 Digital Dashboard

Access to the digital dashboard will conform to the following rules:

- Access by named Client Users as defined by the Province; and
- Information access will be specific to the individual Client Users area of responsibility.

For example, the Provincial management staff would see summary and detailed information spanning the entire Province asset base in relation to the Services and the Client staff would see summary information on the asset based in relation to the Services and detailed information related to their Ministry only. The intent is to provide information appropriate to the Client Users role and span of responsibility in the Province.

The digital dashboard is a custom web site developed for use under this Agreement with the following features:

- A daily roll up page(s) with key operational metrics represented by colour coding of green, yellow and red.
  - o Green will signify that the metric report is fully attained,
  - o Yellow will signify that the metric was not fully attained but within =<5% of the Service Level metric; and
  - o Red will signify that the metric was not attained with a >5% gap from the Service Level metric.

  Weighting and calculation methods will be fully documented in the Process Interface Manual and the Service Levels displayed as documented in Schedule D.

  For the purposes of the digital dashboard, key operational metrics will be those metrics for Services that are covered by Service Level Requirements, not Service Level Objectives.

  The digital dashboard will display the key operational metric in the colour coding described above based on a Province wide calculation basis only and be available to all digital dashboard users.

- A repository of Client User downloadable ad hoc reports will be made available to Client Users as follows:
  - o daily and weekly format from IBM's incident and asset management systems;
  - o five (5) common database queries developed in consultation with the Province and Client;
  - o Exhibit S2 lists 5 queries outputs that will be loaded into the digital dashboard at digital dashboard startup. Addition, deletion and changes to these queries will be reviewed semi-annually with the Province.

- A historical repository of Client User downloadable files containing the last twelve (12) monthly and the last four (4) quarterly reports prepared under Section 3,4 and 5 below. Reports available will be limited by Client User access rights.

- Links for self service systems available and other useful sites, including but not limited to:
    - o Create IMAC and other Service Requests
    - o View status of existing Service Requests
    - o Create a new Incident
    - o View status of an existing Incident
    - o Reset an IDIR password

(a) IBM Responsibilities

IBM will:

1. create and maintain the digital dashboard with the features as listed above;
2. use the Province's web standards for the development of the look and feel of the digital dashboard;
3. document in the Process Interface Manual, the weighting and calculation methods for the coloured icons of the daily status page(s) and provide the format and layout of the digital dashboard;
4. document in the Process Interface Manual, the five (5) ad hoc reports available for download from the digital dashboard;
5. create and maintain in the Process Interface Manual, an access list of Client Users to the digital dashboard, based on instruction from the Province Focal Point;
6. use the IDIR directory, to validate and provide correct access to Client Users of the digital dashboard;
7. restrict access to the digital dashboard based on the organizational unit membership of the Client User or other basis as prescribed by the Province Focal Point ;
8. update the downloadable file reports section of the digital dashboard semi-annually; and
9. update the digital dashboard for format and the Province web standards annually.

(b) The Province Responsibilities

The Province will:

1. provide web standards for the development of the digital dashboard;
2. provide a list of up to sixty (60) Client Users and their prescribed access levels within the digital dashboard;
3. provide access to IDIR to validate digital dashboard user's access rights;
4. provide, when and where required, updates of content and format to the downloadable file reports semi-annually; and

5. provide when and where required, updates annually for format and the Province web standards.

3.0 Monthly Enterprise Level Operations Reports

3.1 Operations Report

The general format of the operations report is a one page executive summary, a one page view of Service Level Requirement and Service Level Objective attainment using a similar system of icons as in the daily rollup page of the digital dashboard but using a monthly statistical base for calculations. The final section of the report provides a review of each of the Services with graphs, tables and text explanation as appropriate.

The intent of the monthly operations report is to meet the operational reporting requirements of the Province including listing detailed operating metrics, significant business activities, root cause analysis and recommendation for any Service Level Requirement failures and the provision of trending analysis of incident volumes and categories.

Included in the asset management services section of the operations report, there will be information on the number of active Supported Desktops.

(a) IBM Responsibilities

IBM will:

1. create and maintain the monthly operations report including ;

   (a) executive summary listing the key statistics, significant business activities and issues of the past month;

   (b) highlights page with key operational metrics represented by colour coding of green, yellow and red on Service Level Requirement attainment;

   (c) highlights page for Service Level Objective attainment;

   (d) historical table listing the last 12 months of Service Level Requirement and Service Level Objective attainment;

   (e) the service sections covered by the monthly operations report will include:

      (i) Service Management

      (ii) Service Desk (includes Self Help tools)

      (iii) Onsite Service

      (iv) IMAC Co-ordination

      (v) IMAC Execution

      (vi) Order Management

      (vii) LAN Administration

(viii) Technical Engineering Services

(ix) Hardware Asset Management (Includes number of active workstations under support by organizational unit)

(x) Software Asset Tracking

(xi) Deployment Services

(xii) User Account Management

(xiii) DTS Services

(f) for each service above, a review section with information on:

(i) usage trends,

(ii) accomplishments,

(iii) issues for the service

(iv) planned activities for the next month;

(g) for each service above, the report will also include graphs and tables as appropriate.

2. add and delete specific service information as mutually agreed;

3. within ten (10) business days from the end of the previous month, post the operations report on the digital dashboard repository as an electronic file with colour graphics and charts to supply data interpretation and illustration;

4. notify, via email with links to the digital dashboard repository, the Province Focal Point on the day the report is posted on the digital dashboard;

5. document in the Process Interface Manual, the weighting and calculation methods for the coloured icons of the Service Level highlights page(s) and the standard layout of each section of the report;

6. update the monthly operations report annually for report format, major content changes and semi – annually for small changes and additions; and

7. use the Governance Process, as described in Governance Schedule, to resolve any disputes on change requests for inclusion in the semi-annual or annual updates.

(b) The Province Responsibilities

The Province will:

1. provide the list of Province staff to receive the monthly enterprise report; and

2. provide, as where and when required and mutually agreed, update requests to the monthly operations report on semi-annual basis for minor changes and annually for major changes or report format changes.

3.2 Operational Configuration Change Activity Report

Operational Configuration Change Activity Report is based on the Province's Operational Change Management system. Through this system, reports are generated to supply a separate monthly change activity report to the Province on the Services with the following information on change requests (("Requests for Change) (RFC)"))

1. Count of scheduled RFCs
2. Count of scheduled RFCs executed with no issue
3. Detail on scheduled extended RFCs
4. Detail on RFCs entered late
5. Detail on scheduled RFCs unexecuted
6. Detail on RFCs with rollbacks
7. Detail on RFCs not executed as documented
8. Detail on changes implemented without an approved RFC

(a) IBM Responsibilities

IBM will:

1. use the Province Operational Change Management system to provide reports on all operational change activity impacted the Services or related to the Services;
2. by the 10th (tenth) business day of the month, store the previous month's report on the digital dashboard repository as an electronic file;
3. on the day the report is stored on the digital dashboard, notify the appropriate CITS staff of its availability via email with links to the digital dashboard repository;
4. document in the Process Interface Manual, the standard layout of each section of the report;
5. assist the Province change management staff to update the format of the Operational Change Management reports semi–annually for small changes and annually for major changes or report format changes.

(b) The Province Responsibilities

The Province will:

1. provide access to the Province Operational Change Management system
2. provide IBM with support and training in the use of the Province's Operational Change Management; and

3. provide semi–annually for small changes and annually for major changes or report format changes, updates to the Operational Change Management reports used by IBM in the Province Operational Change Management system.

4.0 Quarterly Client Reports

This report is generated on and based upon information derived from the operation report and reported at Client level. The general format is a one page overview of Service Level Objective attainment using a similar system of icons as used in the daily rollup page of the digital dashboard for Client. Information will be calculated and reported on using a quarterly statistical base for purposes of generating the calculations. The final section of the report provides a review of the key services received by each Client.

The intent of the quarterly report is to provide operational reporting for the Client focused on the service delivery experience that they are receiving as opposed to the service that the Province is receiving as a whole under this Agreement. A limited set of metrics are reported with graphs and statistical tables and trending analysis of incident volumes and categories. There is no interpretative or anecdotal information provided and no root cause analysis of events affecting the Service Levels attained.

In the asset management services section, the report will include information on the number of active Supported Desktops for each Client.

(a) IBM Responsibilities

IBM will:

1. create and maintain the quarterly Client report including;

   (a) a service level highlights page with icons on Service Level attained;

   (b) individual service review sections with information on historical service levels attained and trends for the service. Each service area will also include graphs and tables as appropriate. The service section covered by the quarterly report include:

      (i) Service Management

      (ii) Helpdesk

      (iii) Onsite Service

      (iv) IMAC Co-ordination

      (v) IMAC Execution

      (vi) Order Management

      (vii) Hardware Asset Management with the number of active Supported Desktops

2. add and delete specific service information as mutually agreed;

3. within ten (10) business days from the end of the previous month, post the operations report on the digital dashboard repository as an electronic file with colour graphics and charts to supply data interpretation and illustration;

4. notify, via email with links to the digital dashboard repository, the Province Focal Point on the day the report is posted on the digital dashboard;

5. document in the Process Interface Manual, the weighting and calculation methods for the coloured icons of the Service Level highlights page(s) and the standard layout of each section of the report;

6. update the quarterly organizational report annually for report format, major content changes and semi-annually for small changes and additions; and

7. use the Governance Process to resolve any disputes on changes requests for inclusion in the semi-annual or annual updates.

(b) The Province Responsibilities

The Province will:

1. provide the list of Province staff to receive the quarterly organizational unit report;

2. provide, as needed, update requests to the quarterly report on semi-annual basis for small changes and annually for major changes or report format changes; and

3. Utilize the Change Order Process to add or delete Clients.

EXHIBIT S-1 - Clients in Quarterly Client Reports

1. Agriculture, Food and Fisheries
2. Attorney General and Minister Responsible for Treaty Negotiations, Ministry of Public Safety and Solicitor General
3. Children and Family Development
4. Community, Aboriginal and Women's Services
5. Education, Advanced Education and Skills Development
6. Energy and Mines
7. Finance
   - Office of the Premier *
   - Registries
   - Corporate Accounting (CAS)
   - Purchasing and Supply Services (P&SS)
   - Provincial Treasury
   - Public Affairs Bureau (PAB) *
   - Cabinet Operations
8. Forests
9. Health Services
10. Human Resources
11. Management Services
    - Common IT Services
    - BC Public Service Agency *
    - Common Business Solutions
    - Network BC
    - Service BC
12. Provincial Revenue
13. Small Business and Economic Development
    - BC Film Commission
14. Sustainable Resource Management
    - Land Titles Branch
15. Transportation
16. Water, Land and Air Protection
17. BC Utilities Commission
18. Tourism BC

Reporting is provided on a Client rollup basis except for organizations that are denoted with a single (*).

EXHIBIT S-2 – Client Downloadable Reports in Digital Dashboard

Help Desk Activity Download Report

- Tickets with number of minutes open, yesterday,
  - <30
  - 30 to 60
  - 60 to 180
  - >180
- Average Speed of Answer
  - Average over last day
  - Current week average
- Agent Calls, yesterday
  - Current % of 'logged on' Agents on Calls (% during day & % during month)
  - Average 'call duration' current day (1 day old) average, current months average)

IMAC Activity Download Report

- Open IMAC Requests
  - Number of Open IMACs
  - % Pending Approval
  - % Approved but not started
  - % In Progress
  - % On Hold
  - Average duration in hours to complete execution in current week
  - Average time open in hours of Open IMACs in current week

Project Activity Download Report

- Open Project
  - Number of Open Projects
  - % in solution developed
  - % Approved but not started
  - % In Progress
  - % On Hold
  - Average duration (in days) to complete execution in current month
  - Average time open (in days) of Open projects in current month
- Number of Projects Accepted, Rejected, Pending for current month

Self Service Activity

- IMAC/Service Requests
- Service Desk - create new incident
- Service Desk - view existing for user
- Password Reset

Plus One more to be mutually agreed upon.

Schedule T – BRAND PERMISSION

The character and the standards of quality for the wares and Services in respect of which IBM may use any Province Mark shall conform to the following:

(a) the applicable provisions of the Agreement,

(b) the "Guidelines for Designing Screens and Dialogs for E-Service Applications" Release 4.0 – April 22, 2003, to the extent applicable and as may be updated in accordance with the Change Order Process;

(c) the "Standards for B.C. Government Information Pages and E-Service Applications on the Internet" Version 1.0 – April 22, 2003, to the extent applicable and as may be updated in accordance with the Change Order Process, and

(d) the *Province Symbols and Honours Act*, to the extent applicable.

Schedule

U - Change Order Process Forms

1.0 Change Request

Change Request Identification – *Joint Program Office*					
Change ID		**Short description**			
Priority		**Date raised**		**Status**	
Raised by / Stakeholder change ID					

Change Request Assessment – *Change Sponsor*			
Detailed description			
Timescale for analysis		**Small change**	Yes / No
Privacy Related Information Associated?	Yes / No	**Confidential Information Associated?**	Yes / No
Assigned to		**Assigned date**	

Change Request Analysis – *IBM Delivery Team*			
Impact analysis			
Solutions considered			
Effort estimate		**Cost estimate**	
Potential start date for implementation		**Potential target date**	
Impact level		**Resources**	
Estimates validated on		**Estimates validated by**	
Analyzed by			
PIA Required?	Yes / No	**PIA completed by**	

Impact on plans and/or agreements – *IBM Delivery Team*			
Incorporated into plans on		**Incorporated into plans by**	
Plans changed			
Incorporated into agreements on		**Incorporated into agreements by**	
Agreements amended			
Completion criteria			
Change order ID(s)			
Change Request Commitment – *Provincial Project Executive*			
Approved on		**Approved by**	

Tombstone Data – *Joint Program Office*			
Date closed		**Date completed**	
Change Request History			
Date	**Comments**		

Priority: Critical/High/Medium/Low

Status: Open / Approved for Analysis / Approved for implementation/ Rejected / Deferred/ Closed

2.0 Change Order

Change Order ID			
Change order ID		**Short description**	
Status	Open / Waiting for start condition / On going / Completed		

Associated Change Requests	
IDs	**Short description**

Change order description

Introduction:

This change order includes:

- One time costs to integrate .....
- One time costs to upgrade .....
- On going support to .....
- All ongoing labor, space and facility charges.....
- XXXXX depreciation charges starts in Month .....

Charges:

- Charges are monthly (or what ever the basis of charging is agreed to) , per

	FY04/05	FY05/06	FY06/07	FY07/08	FY08/09	FY09/10
Price/month						

5 Year Detail	FY04/05	FY05/06	FY06/07	FY07/08	FY08/09	Total
One Time Charges						
Steady State Labour						
Steady State Hardware						
Steady State						

Software						
Total						

This Change Order Proposal shall remain open for acceptance by the Province for _X_ Business Days of receipt.

This Change Order Proposal when signed by both Parties forms part of and is subject to the terms and conditions of the Agreement.

Approvals			
Approved by		**Date approved**	
Approved by the Province			
Approved by IBM			
Start condition		**Target date**	
PIA Associated			

Change order history	
Date	**Comments**

Schedule

V – Form of Non-Disclosure Agreement

See attached form.



IBM Agreement for Confidential Information

This Agreement is the complete and exclusive agreement between IBM and the Recipient regarding disclosures of information for purposes of coordination of services performed by the Recipient for or on behalf of the Province of British Columbia (the "Province"), and those performed by IBM for the Province. It replaces any oral or written communications between IBM and the Recipient regarding these disclosures. By signing below, each of us agrees to the terms of this Agreement. Once signed, any reproduction made by reliable means (for example, photocopy or facsimile) is considered an original.

Agreed to:

Legal name **("Recipient")**

Address Line 1
Address Line 2

By:

_____

Name:

_____

Title:

_____

Date:

_____

Agreed to:

IBM Canada Limited

1803 Douglas Avenue
Victoria, British Columbia

By:

_____

Name:

_____

Title:

_____

Date:

_____

1. Disclosure

Information will be disclosed either:

1) in writing;
2) by delivery of items;
3) by initiation of access to Information, such as may be in a data base; or
4) by oral or visual presentation.

If Information is not marked with such legend or is disclosed orally, the Information will be identified as confidential at the time of disclosure.

2. Obligations

The Recipient agrees to:

1) use the same care and discretion to avoid disclosure, publication or dissemination of IBM's Information as it uses with its own similar information that it does not wish to disclose, publish or disseminate, but in no event less than a reasonable standard of care; and
2) use IBM's Information for the benefit of the Province for the purpose which it was disclosed or otherwise for the benefit of IBM.

The Recipient may disclose Information to:

1) its employees who have a need to know;
2) to employees of the Province with a need to know; and
3) any other party with IBM's prior written consent.

Before disclosure to any of the above parties other than the Province, who by virtue of its Agreement with IBM is bound by obligations of confidentiality, the Recipient will ensure there is a written agreement with the party sufficient to require that party to treat Information in accordance with this Agreement. The Recipient may disclose Information to the extent required by law. However, the Recipient will give IBM prompt notice to allow IBM a reasonable opportunity to obtain a protective order.

3. Exceptions to Obligations

The Recipient may disclose, publish, disseminate, and use Information that is:

1) already in its possession without obligation of confidentiality;
2) developed independently;
3) obtained from a source other than IBM without obligation of confidentiality;
4) publicly available when received, or subsequently becomes publicly available through no fault of the Recipient; or
5) disclosed by IBM to another without obligation of confidentiality.

5. Disclaimers

IBM PROVIDES INFORMATION WITHOUT WARRANTIES OF ANY KIND.

IBM will not be liable to the Recipient for any damages arising out of the use of Information disclosed under this Agreement. Neither this Agreement nor any disclosure of Information made under it grants the Recipient any right or license under any trademark, copyright or patent now or subsequently owned or controlled by IBM.

6. General

This Agreement does not require IBM to disclose Information.

Non-Disclosure Agreement

BETWEEN: IBM Canada Ltd. ("IBM")
AND

[AUDITOR]
NAME: _____
TITLE: _____

TOPIC: _____

DATED: _____

I understand that confidential and personal information may and will be disclosed to me in connection with the audit being performed on behalf of the Province of British Columbia (the "Province") in accordance with the provisions of the Master Services Agreement entered into between the Province and IBM and dated December 3, 2004 (the "Agreement"). I understand that this information is confidential and the property of IBM Canada Ltd. and is disclosed for purposes of such audit purposes only.

As personal and confidential information is being disclosed for these purposes, I understand that I am required to hold in trust and confidence any and all confidential and personal information acquired.

I agree that I will not disseminate nor cause to be published any confidential or personal information to anyone except those IBM employees and/or Contractors who have been assigned to this work and have signed a Non-Disclosure Agreement with IBM Canada Ltd., provided that the foregoing shall not be construed to prevent the delivery of the audit reports resulting from the audit to the Province in the sample format attached as Exhibits to Schedule N to the Agreement.

I agree to return any or/destroy all personal information, and all confidential information once the purpose (s) of the audit has been fulfilled, excepting that confidential information which is required to be kept to substantiate the opinion provided in accordance with the CICA Handbook.

Signature _____

(Returning this form electronically constitutes your electronic acceptance).

RECEIVED BY: _____

DATE: _____

Schedule

W – Form of Invoice

See attached form.

NOTE: FOR FORMAT DEMONSTRATION PURPOSES ONLY

IBM®

Contract # xxxx

Dec-2004

Customer Reference

INVOICE - BC Province

Workstation Support Services

Customer P.O.

			Canadian Dollars
Product	**0001 Full Client Device Management and Administration**		
Services for the month of	December-04		
22,533 Devices at	$61.55		$1,386,843.06
Services not subject to Provincial Sales Tax			$1,386,843.06
Services subject to Provincial Sales Tax:			
British Columbia			$0.00
PST		7.0%	$0.00
Total Pretax			**$1,386,843.06**
Total PST			**$0.00**
Total Amount Due			**$1,386,843.06**

Note: Taxes above are for demonstration purposes.
Final Tax requirements are being reviewed by IBM Taxes.

NOTE: FOR FORMAT DEMONSTRATION PURPOSES ONLY



Contract # xxxx

Dec-2004

Customer Reference

INVOICE - BC Province

Workstation Support Services

Customer P.O.

			Canadian Dollars
Product	**0002 Full Client Device Maintenance Services**		
Services for the month of	December-04		
22,533 Devices at	$8.39		$189,114.96
Services not subject to Provincial Sales Tax			$0.00
Services subject to Provincial Sales Tax:			
British Columbia			$189,114.96
PST		7.0%	$13,238.05
Total Pretax			**$189,114.96**
Total PST			**$13,238.05**
Total Amount Due			**$202,353.01**

Note: Taxes above are for demonstration purposes.
Final Tax requirements are being reviewed by IBM Taxes.

NOTE: FOR FORMAT DEMONSTRATION PURPOSES ONLY



Contract # xxxx

Dec-2004

Customer Reference

INVOICE - BC Province

Workstation Support Services

Customer P.O.

			Canadian Dollars
Product	**0003 Thin Client Device Management and Administration**		
Services for the month of	December-04		
617 Devices at	$58.11		$35,855.54
Services not subject to Provincial Sales Tax			$35,855.54
Services subject to Provincial Sales Tax:			
British Columbia			$0.00
PST		7.0%	$0.00
Total Pretax			**$35,855.54**
Total PST			**$0.00**
Total Amount Due			**$35,855.54**

Note: Taxes above are for demonstration purposes.
Final Tax requirements are being reviewed by IBM Taxes.

NOTE: FOR FORMAT DEMONSTRATION PURPOSES ONLY



Contract # xxxx

Dec-2004

Customer Reference

INVOICE - BC Province

Workstation Support Services

Customer P.O.

			Canadian Dollars
Product	**0004 Thin Client Device Maintenance Services**		
Services for the month of	December-04		
617 Devices at	$1.80		$1,108.93
Services not subject to Provincial Sales Tax			$0.00
Services subject to Provincial Sales Tax:			
British Columbia			$1,108.93
PST		7.0%	$77.63
Total Pretax			**$1,108.93**
Total PST			**$77.63**
Total Amount Due			**$1,186.56**

Note: Taxes above are for demonstration purposes.
Final Tax requirements are being reviewed by IBM Taxes.

NOTE: FOR FORMAT DEMONSTRATION PURPOSES ONLY



Contract # xxxx

Dec-2004

Customer Reference

INVOICE - BC Province

Workstation Support Services

Customer P.O.

			Canadian Dollars
Product	**0005 DTS Infrastructure Users**		
	SC 010		
Services for the month of	December-04		
1,000 Users at	$10.00		$10,000.00
Services not subject to Provincial Sales Tax			$10,000.00
Services subject to Provincial Sales Tax:			
British Columbia			$0.00
PST		7.0%	$0.00
Total Pretax			**$10,000.00**
Total PST			**$0.00**
Total Amount Due			**$10,000.00**

Note: Taxes above are for demonstration purposes.
Final Tax requirements are being reviewed by IBM Taxes.

NOTE: FOR FORMAT DEMONSTRATION PURPOSES ONLY



Contract # xxxx

Dec-2004

Customer Reference

INVOICE - BC Province

Workstation Support Services

Customer P.O.

			Canadian Dollars
Product	**0006 Roaming Profile Support**		
Services for the month of	December-04		
0 Users at	$4.40		$0.00
Services not subject to Provincial Sales Tax			$0.00
Services subject to Provincial Sales Tax:			
British Columbia			$0.00
PST		7.0%	$0.00
Total Pretax			**$0.00**
Total PST			**$0.00**
Total Amount Due			**$0.00**

Note: Taxes above are for demonstration purposes.
Final Tax requirements are being reviewed by IBM Taxes.

NOTE: FOR FORMAT DEMONSTRATION PURPOSES ONLY



Contract # xxxx

Dec-2004

Customer Reference

INVOICE - BC Province

Workstation Support Services

Customer P.O.

			Canadian Dollars
Product	**0007 Exchange and IDIR Administration Users**		
Services for the month of	December-04		
200 Users at	$4.40		$880.00
Services not subject to Provincial Sales Tax			$880.00
Services subject to Provincial Sales Tax:			
British Columbia			$0.00
PST		7.0%	$0.00
Total Pretax			**$880.00**
Total PST			**$0.00**
Total Amount Due			**$880.00**

Note: Taxes above are for demonstration purposes.
Final Tax requirements are being reviewed by IBM Taxes.

NOTE: FOR FORMAT DEMONSTRATION PURPOSES ONLY



Contract # xxxx

Dec-2004

Customer Reference

INVOICE - BC Province

Workstation Support Services

Customer P.O.

			Canadian Dollars
Product	**0008 Legacy Provincial Images**		
Services for the month of	December-04		
0 Images at	$1,900.00		$0.00
Services not subject to Provincial Sales Tax			$0.00
Services subject to Provincial Sales Tax:			
British Columbia			$0.00
PST		7.0%	$0.00
Total Pretax			**$0.00**
Total PST			**$0.00**
Total Amount Due			**$0.00**

Note: Taxes above are for demonstration purposes.
Final Tax requirements are being reviewed by IBM Taxes.

NOTE: FOR FORMAT DEMONSTRATION PURPOSES ONLY



Dec-2004

Contract # xxxx
Customer Reference

INVOICE - BC Province
Workstation Support Services

Customer P.O.

			Canadian Dollars
Product	**0009 Enterprise Images**		
Services for the month of	December-04		
0 Images at	$270.00		$0.00
Services not subject to Provincial Sales Tax			$0.00
Services subject to Provincial Sales Tax:			
British Columbia			$0.00
PST		7.0%	$0.00
Total Pretax			**$0.00**
Total PST			**$0.00**
Total Amount Due			**$0.00**

Note: Taxes above are for demonstration purposes.
Final Tax requirements are being reviewed by IBM Taxes.

NOTE: FOR FORMAT DEMONSTRATION PURPOSES ONLY



Contract # xxxx

Dec-2004

Customer Reference

INVOICE - BC Province

Workstation Support Services

Customer P.O.

			Canadian Dollars
Product	**0010 Application Inventory and Assessment**		
Fixed Charge for	December-04		$23,150.00
Services not subject to Provincial Sales Tax			$23,150.00
Services subject to Provincial Sales Tax:			
British Columbia			$0.00
PST		7.0%	$0.00
Total Pretax			**$23,150.00**
Total PST			**$0.00**
Total Amount Due			**$23,150.00**

Note: Taxes above are for demonstration purposes.
Final Tax requirements are being reviewed by IBM Taxes.

NOTE: FOR FORMAT DEMONSTRATION PURPOSES ONLY



Dec-2004

Contract # xxxx
Customer Reference

INVOICE - BC Province

Workstation Support Services

Customer P.O.

			Canadian Dollars
Product	**0011 Home Support Events**		
Services for the month of	December-04		
0 Events at	$325.00		$0.00
Services not subject to Provincial Sales Tax			$0.00
Services subject to Provincial Sales Tax:			
British Columbia			$0.00
PST		7.0%	$0.00
Total Pretax			**$0.00**
Total PST			**$0.00**
Total Amount Due			**$0.00**

Note: Taxes above are for demonstration purposes.
Final Tax requirements are being reviewed by IBM Taxes.

NOTE: FOR FORMAT DEMONSTRATION PURPOSES ONLY



Contract # xxxx

Dec-2004

Customer Reference

INVOICE - BC Province

Workstation Support Services

Customer P.O.

			Canadian Dollars
Product	**0007 Exchange and IDIR Administration User Setup**		
Services for the month of	December-04		
0 Users at	$20.00		$0.00
Services not subject to Provincial Sales Tax			$0.00
Services subject to Provincial Sales Tax:			
British Columbia			$0.00
PST		7.0%	$0.00
Total Pretax			**$0.00**
Total PST			**$0.00**
Total Amount Due			**$0.00**

Note: Taxes above are for demonstration purposes.
Final Tax requirements are being reviewed by IBM Taxes.

NOTE: FOR FORMAT DEMONSTRATION PURPOSES ONLY



Dec-2004

Contract # xxxx
Customer Reference

INVOICE - BC Province
Workstation Support Services

Customer P.O.

			Canadian Dollars
Product	**0013 Enterprise Image Development**		
Services for the month of	December-04		
0 Images at	$40,000.00		$0.00
Services not subject to Provincial Sales Tax			$0.00
Services subject to Provincial Sales Tax:			
British Columbia			$0.00
PST		7.0%	$0.00
Total Pretax			**$0.00**
Total PST			**$0.00**
Total Amount Due			**$0.00**

Note: Taxes above are for demonstration purposes.
Final Tax requirements are being reviewed by IBM Taxes.

Monthly and Transaction Charges

NOTE: FOR FORMAT DEMONSTRATION PURPOSES ONLY

IBM Global Services & BC Province Agreement

Dec-2004

		Current Month Charges		
		Current Month Unit Rate	Current Month Units	Current Month Charges
0001	Full Client Device Management and Administration	$61.55	22,533	$1,386,843.06
0002	Full Client Device Maintenance Services	$8.39	22,533	$189,114.96
0003	Thin Client Device Management and Administration	$58.11	617	$35,855.54
0004	Thin Client Device Maintenance Services	$1.80	617	$1,108.93
0005	DTS Infrastructure Users	$10.00	1,000	$10,000.00
0006	Roaming Profile Support Users	$4.40	-	$0.00
0007	Exchange and IDIR Administration Support	$4.40	200	$880.00
0008	Legacy Provincial Images	$1,900.00	-	$0.00
0009	Enterprise Image Support	$270.00	-	$0.00
0010	Application Inventory and Assessment	$23,150.00		$23,150.00
	Subtotal Base Charges			**$1,646,952.49**
0011	Home Support Services	$325.00	-	$0.00
0012	Exchange and IDIR Administration Setup	$20.00	-	$0.00
0013	Enterprise Image Development	$40,000.00	-	$0.00
	Subtotal Transaction Charges			**$0.00**
	Total Charges			**$1,646,952.49**

IBM Global Services & BC Province Agreement

BC Province Tax Calculations - Year One
Monthly Invoice (Draft)
Dec-04

Draft -- Pending Final review by IBM & BC Province Tax Team

Services	SC Code	Monthly Fees	B.C.			Total Before taxes	Total RST	GRAND TOTAL
			Not Subject to A RST	Subject to B RST	RST - 7.0% C 7.00%	=SUM(A&B)	=SUM(C)	
Base Charges								
Full Client Device Management and Administration	010	1,386,843.06	1,386,843.06			1,386,843.06	-	1,386,843.06
Full Client Device Maintenance Services	040/050	189,114.96		189,114.96	13,238.05	189,114.96	13,238.05	202,353.01
Thin Client Device Management and Administration	010	35,855.54	35,855.54			35,855.54	-	35,855.54
Thin Client Device Maintenance Services	040/050	1,108.93		1,108.93	77.63	1,108.93	77.63	1,186.56
DTS Infrastructure Users	010	10,000.00	10,000.00			10,000.00	-	10,000.00
Roaming Profile Support Users	010	-	-			-	-	-
Exchange and IDIR Administration Support	010	880.00	880.00			880.00	-	880.00
Legacy Provincial Images	050	-		-	-	-	-	-
Enterprise Image Support	050	-		-	-	-	-	-
Application Inventory and Assessment	010	23,150.00	23,150.00			23,150.00	-	23,150.00
Transaction Charges								
Home Support Services	040/050	-		-	-	-	-	-
Exchange and IDIR Admin Setup	010	-	-			-	-	
Enterprise Image Development	050	-		-	-	-	-	-
Monthly Invoice amounts		**1,646,952.49**	**1,456,728.59**	**190,223.90**	**13,315.67**	**1,646,952.49**	**13,315.67**	**1,660,268.16**
Summary of Invoices (Verification Total)						1,646,952.49	13,315.67	1,660,268.16

Schedule
X - Services Recovery

1.0 Introduction

IBM and the Province recognize the importance of re-establishing Services as quickly as reasonably possible in the event of a service disruption including a Force Majeure event. The disruption could be a disruption of all or part of the Services. This Schedule outlines the process that will be followed to define and implement a Recovery Plan for the Services in accordance with the service recovery planned targets outlined in Exhibit A to this Schedule X.

The Recovery Plan will outline the recovery requirements and procedures for the primary IBM and ISM Facilities and for the material IBM subcontracted services. As of the Commencement Date the primary IBM Facilities are located at:

- xxxx New or Old Street, Victoria – the primary ISM centre of operations
- 4000 Seymour Place, Victoria – the primary location of critical servers

2.0 Recovery Plan Objectives

The objectives of the Recovery Plan are to:

(a) define and document the general procedures for the recovery of the Services within recovery targets as initially set out in Exhibit A;

(b) confirm those Services that are critical and develop specific procedures to recover critical services;

(c) identify those Province services that require a minimum level of service; and

(d) identify the priority in which Services would be restored.

3.0 Developing the Recovery Plan

The process for creating the Recovery Plan will include:

Within 90 days of Commencement Date, IBM and the Province will:

(a) identify existing Province recovery plans;

(b) identify critical Province and Client services that need to be considered in the Recovery Plan;

(c) identify policies of the Province related to business recovery planning;

(d) establish recovery targets consistent with Province recovery plans;

(e) validate the recovery targets of the Services are in alignment with the recovery targets of other services that the Province provides to Clients;

By the end of Stage 2 of Transition, IBM will:

(a) prepare for the review and approval of the Province a Recovery Plan.

The Province will:

(a) review the Recovery Plan; and if approved

(b) prepare a Change Order to append the completed Recovery Plan to the Agreement.

4.0 Maintaining the Recovery Plan

The Recovery Plan will be reviewed at least annually and amended as required to address any required changes to the Recovery Plan. Changes to the plan will be implemented through the Change Order Process.

5.0 Interim Services Recovery Plan

IBM will use the Provinces existing recovery plans, as provided, or recover Services on a commercially reasonable basis Interim Services Period. The IBM Services Recovery Plan will be fully implemented by the end of the Interim Services Period.

6.0 IBM Location Recovery Plans

IBM will complete a Facilities Emergency Plan for primary IBM Facilities by the end of Stage 2 that includes:

(a) alternate work locations for ISM and IBM staff;

(b) crisis management team members and their responsibilities;

(c) a Province emergency contact list;

(d) lists of emergency services and public authorities contacts;

(e) telephony failover plan;

(f) procedures for evacuation and accounting for all employees; and

(g) a process to relocate IBM Employees and IBM Support Personnel to other IBM Facilities.

Exhibit A – Service Recovery Planned Targets

	Services Recovery Targets				
Categories	Critical 1 Day	5 Days	10 Days	15 Days	30 Days
Service Management					
Service Desk	Full				
Onsite Service Support		Full			
IMAC Coordination				Full	
IMAC Execution				Full	
Order Management			Full		
LAN Admin					Full
Base Tech		Full			
Self Help					Full
Asset Inventory					Full
Software asset tracking					Full
Deployment services		Full			
Security services	Full				
Projects (ex SWAT)		Full			
Virtual Office		Full			
VIP Services	Full				

Days = calendar days
Full = Services restored

Schedule

Y – Purchase Terms and Conditions

The terms and conditions under which the Province shall purchase Machines (as hereinafter defined) and Programs (as hereinafter defined) from IBM are set out below. For greater certainty, except as specifically set forth herein, the terms of the Master Services Agreement do not apply to or modify these terms and conditions.

1. Definitions

Unless otherwise provided herein, the words, phrases and expressions with initial capitals in these terms and conditions shall have the same definitions and meanings given to them in the Master Services Agreement.

"Date of Installation" is the following:

1. for an IBM Machine, the business day after the day the Machine is shipped to a Facility; and

2. for a non-IBM Machine, the second business day after the Machine's standard transit allowance period as designated by the non-IBM Machine supplier.

"Enterprise" is any Province ministry or agency including the Broader Public Sector or in the case of IBM is any Affiliate. In the case of IBM, the term "Enterprise" applies only to Affiliates who are Canadian Entities.

"Machine" is a machine, including its features, conversions, upgrades, elements, or accessories, or any combination of them. The term "Machine" includes an IBM Machine and any non-IBM Machine (including other equipment or tangible assets) that IBM may provide to the Province.

"Non-IBM Program" is a Program licensed under a separate third party license agreement from a licensor other than IBM or any IBM Enterprise and used in the personal computer environment.

"IBM Program" is an IBM Program licensed under a separate license agreement from IBM or any IBM Enterprise (e.g. IBM International Program License Agreement) and used in the personal computer environment.

"Program" is the following, including the original and all whole or partial copies:

1. machine-readable instructions and data;

2. components;

3. audio-visual content (such as images, text, recordings, or pictures); and

4. related licensed materials.

functionally equivalent. If IBM determines that none of these alternatives is reasonably available, the Province agrees to return the Machine to IBM on its written request. IBM will then give the Province a credit equal to the Province's net book value of such Machine provided the Province has followed generally-accepted accounting principles in accounting for such Machine.

This is IBM's entire obligation to the Province regarding any claim of infringement for patent, copyright or other intellectual property rights relating to the Machines purchased pursuant to these terms and conditions.

Claims for Which IBM Is Not Responsible

IBM has no obligation regarding any claim to the extent such claim is based on any of the following:

1. anything the Province provides which is incorporated into a Machine;

2. the Province's modification of a Machine without the approval of IBM;

3. the combination, operation, or use of a Machine with other products not provided by IBM, or the combination, operation, or use of a Machine with any product, data, apparatus or business method that IBM did not provide, or the distribution, operation or use of a Machine by a third party outside your Enterprise; or

4. infringement by a non-IBM Machine alone.

12. Limitation of Liability

Circumstances may arise where, because of a default on IBM's part or other liability, the Province is entitled to recover damages from IBM. Except as set forth below, in each such instance, regardless of the basis on which the Province is entitled to claim damages from IBM (including negligence, misrepresentation, or other contract or tort claim), IBM is liable for no more than:

1. payments referred to in the Patents and Copyrights section above;

2. damages for bodily injury (including death) and physical harm to real property and tangible personal property caused by IBM's negligence; and

3. the amount of any other actual direct damages, up to the greater of $100,000 or the charge for the Machine that is the subject of the claim.

Notwithstanding the above provisions, in the event IBM fails to perform its obligations under the Master Services Agreement, including Section 31, due to a default by IBM, IBM shall be liable to the Province to the limits or levels set forth in the Master Services Agreement.

This limit also applies to any of IBM's Subcontractors. It is the maximum for which IBM and its Subcontractors are collectively responsible.

Items for Which IBM is Not Liable

Under no circumstances is IBM or its subcontractors liable for any of the following even if informed of their possibility:

1. loss of, or damage to, data; or

2. special, incidental, consequential or indirect damages (other than as part of the payments referred to in our Patents and Copyrights terms or for bodily injury including death

Attachment A to Schedule Y

1. Pricing for Desktops, High End Laptops, Low End Laptop, Monitors

IBM will provide pricing as follows to the Province for the following Machine types:

Device Type	Standard Models	Non-Standard Models
Desktops	International Data Corporation ("IDC") average Web list price discounted 33%	IBM Web list price discounted 30%
High End Laptops (T/X Series)	IDC average Web list price discounted 30%	IBM Web list price discounted 23%
Low End Laptops (R Series)	IDC average Web list price discounted 20%	IBM Web list price discounted 15%
CRT Monitors	C170=$160, C190 =$250 The pricing for each listed monitor will be the lower of the pricing above or the IBM Web list price discounted 23%	IBM Web list price discounted 23%
TFT Monitors	L170 =$525 The pricing for each listed monitor will be the lower of the pricing above or the IBM Web list price discounted 20%	IBM Web list price discounted 20%

The list of Standard Models of Machines is as set out in Schedule K of the Master Services Agreement. All other models of Machines are Non-Standard Models.

The above listing and descriptions of Machine series or models above are for those Machine series or models as at the date of these terms and conditions. In the event that a Machine series or model is discontinued or replaced by another series or model, the parties will amend this Attachment A to reflect the applicable series or models.

Terms:

- IBM's pricing for the specified Machines includes:
  - shipping charges to the Province's designated location;
  - a mouse, keyboard, power supply, operating system, documentation for operating system, monitor cable (the Parties will review these components on an annual basis to compare against current PC industry standards for consistency);
  - on-site desktops warranty for 36 months with next business day support;
  - on-site high end and low end laptops warranty for 36 months with next business day support;

A change to the selected vendors used in the IDC calculation requires agreement from both IBM and the Province.

IBM Web list price discount is the discount off of the IBM web list price.

Example using a Nonstandard CRT Monitor:

IBM Web List	$	399
IBM Relationship Discount		23%
Price	$	307.23

2. Pricing Structure for Thin Client Devices

IBM's pricing for thin client Machines includes:

- shipping charges to the Province's designated location;
- a mouse, keyboard, power supply, operating system, documentation for operating system, monitor cable (the Parties will review these components on an annual basis to compare against current PC industry standards for consistency);
- depot warranty for 60 months next business day support for thin client Machines; and
- on-site warranty for 36 months followed by a depot warranty for the subsequent 24 months for monitors attached to a thin client Machine.

IBM will supply a standard thin client Machine configuration price of $710 for either of the Wyse Technology Inc. ("Wyse") or Neoware Systems, Inc. ("Neoware") thin client Machines. The price for each such thin client Machine is based on the manufacturers costs that will not exceed today's costs other than for adjustments as a result of currency exchange rate fluctuations. IBM will notify the Province of any changes in the price of such thin client Machines at least ninety (90) days prior to such change being effective.

3. Pricing Structure for Citrix CALs

IBM will, as a reseller, provision Citrix CALs and other Citrix software licenses, on behalf of the Province. Provisioning details, terms and conditions and pricing details will be outlined in a Change Order Proposal within 90 days after the Commencement Date.

4. Pricing to the Broader Public Sector for Desktops, High End Laptops, Low End Laptop, Monitors

The Province can purchase on behalf of the Broader Public Sector, certain Machines and Programs on the terms and conditions set forth below.

Entities qualified to receive the pricing offered to the Broader Public Sector do not extend to subcontractors or other support organizations that are performing services on behalf of the Broader Public Sector.

For the purpose of these terms and conditions, the Broader Public Sector will fall into one of two categories:

- for all projectors 20% off of the IBM Web list price;
- for all standard options 25% off of the IBM Web list price; and
- for all memory 15% off of the IBM Web list price.

- Pricing outlined above is applicable to desktops, laptops and monitors, purchased direct from IBM only pursuant to these terms and conditions. This pricing does not apply to the Broader Public Sector purchase of IBM products through an IBM Business Partner.

- Exceptions:
  - IBM has models of product that are not eligible for the pricing outlined above and therefore, cannot be deemed eligible Standard or Non-Standard models for the purposes of these terms and conditions. They include:
    - Express models, a clearly defined subset of models within the desktop and notebook families.
    - Very small business market place models. These models are priced specifically for the very small business (VSB) market place.

5. Pricing Structure for thin client Machines for the Broader Public Sector

IBM's pricing for thin client Machines includes:

- shipping charges to Province's designated location;
- a mouse, keyboard, power supply, operating system, documentation for operating system, monitor cable (the Parties will review these components on an annual basis to compare against current PC industry standards for consistency);
- depot warranty for 60 months next business day support for thin clients; and
- on-site warranty for 36 months followed by a depot warranty for the subsequent 24 months for monitors attached to a thin client within next business day support.

IBM will supply a standard thin client configuration price of $710 for either of the Wyse or Neoware thin client Machines. The price for each such thin client Machine is based on the manufacturers costs that will not exceed today's costs other than for adjustments as a result of currency exchange rate fluctuations. IBM will notify the Province of any changes in the price of such thin client Machines at least ninety (90) days prior to such charge being effective.

Category 2 – BPS Hardware Only Clients

BPS Hardware Only Clients will not be eligible for pricing described above. BPS Hardware Only Clients have the option to purchase product under other available IBM programs.

Attachment B to Schedule Y

Systems Management Tools Included Free with IBM Machines and are subject to change by IBM on notice to the Province.

Rescue and Recovery Ultra – ***(an IBM ThinkVantage Technology tool)*** Helps employees resolve system issues by themselves. RRU is a one-button backup and recovery solution with a self-help interface that assists users in restoring files, folders and the entire software image – even if the primary OS will not start up. Boost security with convenience. This solution enables rapid and direct deployment of fixes for worms, viruses and security patches. According to Technology Business Research (TBR) Rescue and Recovery can help eliminate the need for an on-site visit to re-image a PC – an advantage that can save up to $400 per incident (March 2003).

IBM System Information Center – ***(an IBM ThinkVantage Technology tool)*** ISIC provides the IT administrator with an electronic inventory management solution to track both hardware and software assets. It can provide web-based reports including both standard and ad hoc reports that can be saved for later use.

Embedded Security Subsystem – ***(an IBM ThinkVantage Technology tool)*** ESS is a hardware and software based solution that provides network security, as well as the protection of confidential information stored on a systems hard drive. The ESS is a security chip with an encryption engine and secure storage area that IBM embeds on the main board of ThinkPads, S51/M51's and selected S50/M50 PCs.

Access IBM – ***(an IBM ThinkVantage Technology tool)*** provides one button access to a number of support tools, including educational resources, on-line forums and chats.

IBM Access Connections – ***(an IBM ThinkVantage Technology tool)*** is a laptop tool for easily managing wired, wireless and dial-up connections as well as allowing the user to change the window default printer by location. Users can easily create profiles for the network locations they expect to utilize network connections, dramatically reducing calls to help desks and improving productivity of the end users.

Additionally it is also able to easily create a profile for wireless hotspots so users can easily connect in areas such as airports and hotels.

Active Protection System – ***(an IBM ThinkVantage Technology tool)*** featured on ThinkPad laptops, uses a combination of hardware and software technologies to help protect a users hard drive from one of its greatest enemies – drops or shocks. When actively reading or writing data onto the disk, it is at its most vulnerable time for damage due to drops. Active Protection System works by constantly monitoring the movement of the system, temporarily parking the hard drive head in a safe location if a drop, shock or movement is imminent. Once the damaging event is past, the hard drive resumes to normal operation.

System Migration Assistant - *(an IBM ThinkVantage Technology tool)* (SMA) A program that can be used to backup and restore if needed a complete set of the client's personalization features and network settings. When moving to a new PC, SMA can quickly make that transition seamless to the client by restoring all their network settings as well as things like desktop color and resolution preferences, bitmaps, themes, desktop icons etc. with the click of a single icon.

Software Delivery Assistant – ***(an IBM ThinkVantage Technology tool)*** SDA is a tool that allows for the creation and management of an organizations entire suite of software applications. SDA allows for the consolidation of the various applications within a company into a single application image that is loaded onto each PC as a master application image. Appropriate applications can then be selectively installed per the users requirements either through selections prior to the installation or through a set of questions

answered by the end user. Once the appropriate applications are installed for the user, the unused applications are deleted from the system.

Software Delivery Center – (*an IBM ThinkVantage Technology tool*) This client application code is free with the ThinkCenter PC's. This can be used to pull down updates to applications.

Secure Data Disposal – (*an IBM ThinkVantage Technology tool*) IBMs tool to remove data from a hard drive so it can not be recovered.

Wake on LAN – Comes on all ThinkCenter PC's. This is the cornerstone technology required to enable remote manageability and was an IBM first that has now been moved to an industry standard status.

Alternate Boot Sequence - What good is remote startup capability if a client leaves a diskette in the system when he goes home? With ABS support in IBM PC's, the system knows whether it has been awakened by the depression of the power button or by a remote manager. if awakened remotely, it uses an alternate boot sequence set in CMOS that bypasses diskette drive and hard drive and boots directly to the network (RDM).

PXE - Pre-boot Execution Environment - Enabled and available on every IBM PC with Wake on LAN capability. Allows for remote management by providing the capability to boot a PC and execute code even if there is no OS on the client.

Asset EEPROM – ThinkCenter S51/M51 (and selected S50/M50) comes with an AssetID EEPROM on the motherboard. This EEPROM has its data filled at the factory at the time of manufacture and contains information about components used in the system and their serial numbers. MAC address and VPD data are also stored in this non-volatile EEPROM. This EEPROM can be read and updated by IBM Director or Intel LanDesk Client Manager.

Norton AntiVirus - AntiVirus software provided with each IBM PC free of charge for 3 months from date of shipment.

Attachment C to Schedule Y

DISPUTES

1. **Informal Dispute Resolution.**

In the event of any dispute in connection with these terms and conditions, the Parties shall use reasonable commercial efforts to settle such dispute internally and shall consult and negotiate with each other in good faith in an effort to reach a fair and equitable solution satisfactory to both Parties. The Parties shall attempt to resolve any dispute (which for the purpose of this Article includes any failure by the Parties to reach agreement where expressly provided for in these terms and conditions), as follows:

(a) either Party may deliver to the other a written notice (the "**Dispute Notice**") setting forth in reasonable detail the particulars of the dispute;

(b) the members of the Joint Program Office shall meet as often and as promptly as the Parties deem necessary in good faith in an effort to resolve the dispute;

(c) if the Joint Program Office has not resolved the dispute within five (5) Business Days (or such other period of time as may be mutually agreed) after the delivery of the Dispute Notice, then the dispute shall be referred to the Joint Executive Steering Committee for resolution. The Joint Executive Steering Committee shall meet as often and as promptly as they reasonably deem necessary in an effort to resolve the dispute;

(d) if the Joint Executive Steering Committee has not resolved the dispute within ten (10) Business Days (or such other period of time as may be mutually agreed) after the delivery of the Dispute Notice, then the dispute shall be referred to the Executive Sponsors for resolution. The Executive Sponsors shall meet as often and as promptly as they may reasonably deem necessary in an effort to resolve the dispute;

(e) during the course of discussions of the Joint Program Office, the Joint Executive Steering Committee or the Executive Sponsors, all reasonable requests made by one Party to another for non-privileged information, reasonably related to the dispute, shall be honoured in order that each of the Parties may be fully apprised of the other's position. The specific format for such discussions shall be decided by mutual agreement of the Parties, but may include the preparation of agreed-upon statements of fact or written statements of position. Notwithstanding the foregoing, either Party may abbreviate the resolution discussion period and escalate the same to the next level if they reasonably believe that the dispute cannot be resolved at that level regardless of the amount of time afforded to them;

(f) if the Executive Sponsors have not resolved the dispute within twenty (20) Business Days (or such other period of time as may be mutually agreed) after the delivery of the Dispute Notice, then the dispute shall be referred to mandatory mediation. If the Parties are unable to agree upon a mediator within five (5) days after the referral of the dispute to mandatory mediation, then either Party may request that the ADR Institute of Canada, Inc. appoint a mediator. Any mediator so appointed shall be deemed to be accepted by the Parties. The mediation shall be conducted at a time, in a city and a specific location agreed by the Parties with the mediator, or if the Parties cannot agree, as designated by the mediator. The mediation shall be held within five (5) days after the mediator is appointed. If any Party has substantial need for information from another Party in order to prepare for the mediation, the Parties shall use reasonable efforts to agree on procedures for the formal exchange of information. Each Party shall be represented in the mediation by at least an individual with authority to settle the dispute on behalf of that

Party and, if desired by that Party, by counsel for that Party. The Parties' representatives in the mediation shall continue with the mediation as long as the mediator reasonably requests, but in no event longer than thirty (30) days after the delivery of the relevant Dispute Notice. Unless otherwise agreed by the Parties, each Party shall pay one-half of the mediator's fees and expenses and shall bear all of its own expenses in connection with the mediation. No Party may employ or use the mediator as a witness, consultant, expert, or counsel regarding the Dispute or any related matters and all communications during or in connection with the mediation shall be deemed "without prejudice" and such communications shall be admissible in any arbitration or court;

If the Dispute has not been resolved in accordance with the procedure set forth in this Section 1 (*Informal Dispute Resolution*), then either Party may refer the Dispute to binding arbitration in accordance with Section 2 (*Arbitration*).

2. **Arbitration.**

Subject to Section 4 (*Exceptions to Dispute Resolution Procedure)*, any dispute that is not resolved in accordance with Section 1 (*Informal Dispute Resolution*) above shall be determined by arbitration. There shall be three arbitrators. The place of arbitration shall be Victoria, British Columbia. The arbitration shall be conducted in accordance with the National Arbitration Rules of the ADR Institute of Canada, Inc. (the "**Rules**"), as those Rules may have been amended, superseded or replaced at the time the arbitration is commenced and in accordance with the Commercial Arbitration Act (British Columbia), save and except as otherwise expressly provided in this Section 2 (*Arbitration*). The following terms shall apply to any arbitration:

(a) neither Party may refer the dispute for arbitration until the earlier of:

(i) the mediator's written conclusion that resolution of the dispute through continued mediation is unlikely,

(ii) 30 days after the first day that the Parties meet to commence mediation, or

(iii) 30 days before the limitations period governing any such cause of action relating to such dispute would expire;

(b) no person may be appointed as an arbitrator unless that person is independent of each Party and is not directly or indirectly involved in a business being carried on by a competitor of either party, and the Parties shall use reasonable efforts to select arbitrators that have experience in complex, commercial outsourcing engagements and are skilled in the subject matter of the dispute, and the third Arbitrator who shall act as Chair shall be a judge or lawyer with at least ten (10) years experience and experience as an arbitrator in commercial disputes;

(c) judgment upon the award rendered in any such arbitration may be entered in any court having competent jurisdiction;

(d) each party shall pay its own costs and expenses, and the arbitrators' remuneration and expenses and any administration fees ("**Arbitration Costs**"), shall be subject to final apportionment by the arbitrators;

(e) the arbitrators shall make their final award with respect to the matters determined in the award, within 60 days after the hearings have been closed or such further period as may be agreed to in writing by the Parties, or be directed by a court of competent jurisdiction. Awards shall be in writing and shall, unless the parties otherwise agree, state the reasons upon which they are based;

(f) notwithstanding anything to the contrary in the *Commercial Arbitration Act* (British Columbia) or the Rules:

(i) the same procedural requirements and rights of discovery as available under the British Columbia Rules of Court shall apply, mutatis mutandis, (except that the arbitrators may make adjustments as to time limits);

(ii) the laws and rules of evidence applicable in the courts of British Columbia shall apply, and the arbitrators may only require the production of relevant documentary and testimonial evidence not protected by solicitor-client or other recognized legal privileges; and

(iii) an arbitrator must adjudicate the matter before the arbitrator by reference to law in accordance with Section 23 of the *Commercial Arbitration Act* (British Columbia), including the precedent of other court decisions, statutory laws, and laws of interpretation, as would be followed by the court, and the Parties expressly agree that the matter shall not be decided on equitable grounds, grounds of conscience or some other basis;

(g) the arbitrators will have no power or authority to grant any award or permit any other recourse that would be precluded by the terms of the Agreement including, without limitation, an award for damages that would be in excess of any limitation of liability in the Agreement or a claim that would otherwise be time barred by the terms of the Agreement as construed under the law applicable to the Agreement; and

(h) either Party may appeal any question of law arising out of the award to the court.

3. **Confidentiality.**

All mediation or arbitration proceedings shall be conducted in private. All offers of settlement occurring in connection with any mediation, or otherwise in pursuit of settlement of any dispute, shall, unless the parties otherwise agree in writing, be "without prejudice", and evidence of any such offers of settlement shall not be admissible in any court proceeding or arbitration. All materials, statements, communications, offers of settlement, and documents produced or disclosed during the course of a mediation or arbitration, and all decisions and awards shall at all times be Confidential Information, provided that a party may disclose any award and any part of the evidence or record in any arbitration in any court to the extent that it is necessary to do so for the purposes of enforcing, appealing or seeking to set aside the award. If such disclosure is necessary, the party making disclosure shall use reasonable efforts to obtain court orders preserving and protecting confidentiality. Nothing in this Section shall preclude disclosure of any information to a party's insurer, auditor, lawyer, expert witness, regulator or other person with a financial interest or as may otherwise be required to comply with Applicable Law.

4. **Exceptions to Dispute Resolution Procedure.**

Subject to the *Crown Proceedings Act*, the provisions of Sections 1 (*Informal Dispute Resolution*) and 2 (*Arbitration*) shall not be construed to prevent a Party from:

(a) seeking a temporary restraining order or injunctive or other equitable relief, including an order declaring the rights of the Parties instead of injunctive relief, with respect to a breach (or attempted breach) of these terms and conditions by the other Party;

(b) instituting litigation or other formal proceedings to the extent necessary:

(i) to enforce arbitration awards or orders for injunctive or other similar relief;

(ii) to avoid the expiration of any applicable limitations period; or

(iii) to preserve a position with respect to other creditors; or

(c) defending any law suits involving third parties.

5. **Continuity of Services.**

The Parties each acknowledge that the timely and complete performance of its obligations pursuant to these terms and conditions are critical to the business and operations of the Province. Accordingly, in the event of a Dispute:

(a) IBM shall continue to so perform its obligations and to deliver the Machines and Programs under these terms and conditions in good faith during the resolution of such dispute; and

(b) subject to these terms and conditions, the Province shall continue to pay all amounts payable to IBM hereunder in good faith,

unless and until these terms and conditions are terminated or expire in accordance with their terms.

Schedule

Z – Transition

Stage 2: Interim Services Period
Stage 3: Process and Tools Implementation

1.0 Introduction

(a) This Schedule sets forth an outline of the Transition activities the Province and IBM will perform during the Transition Period. IBM will complete a draft of the Transition Plan document by the Commencement Date. IBM and the Province will approve or reject the Transition Plan document 10 Business Days after the Commencement Date. This will form the basis for the joint team of IBM and Province employees and their respective Subcontractors (The Transition Team) to develop the detailed transition project plan that will be completed and approved 30 Business Days after Commencement Date.

(b) The implementation project is composed of four separate stages as follows:

1. Stage 1: Employee/HR Transition
2. Stage 2: Interim Services Period - concurrent with Stage 3, and concludes with completion of Stage 3
3. Stage 3: Process and Tools Implementation - concurrent with Stage 2
4. Stage 4: Workstation Refresh Project

(c) The scope of this document covers the Interim Service Plan activities (Stage 2) and the IBM Process and Tools implementation activities (Stage 3). Stage 1: Employee/HR Transition is covered under the Master Transfer Agreement, and Stage 4: Workstation Refresh Project as defined in Technical Refresh Schedule.

(d) The Transition Plan document will describe:

1. Activities specific to Stage 3: Process and Tools Implementation;
2. The specific objectives of the Transition Plan;
3. The hardware, software and resource roles and responsibilities the Province and IBM require to complete the Transition during the Transition Period;
4. The technical assumptions, risks and dependencies inherent in the Transition Plan; and
5. The required time frames, activity dates and people responsible for individual tasks throughout the Transition Period

(e) The Transition Plan will specify the Province's and IBM's respective responsibilities.

(f) Until completion of the Transition Plan, the Transition Team will meet regularly as mutually agreed, and will review and update the Transition Plan to reflect mutually agreed upon changes such as revisions to schedules, resource requirements, dependencies, and priorities.

2.0 Transition Overview

Transition Objectives

Stage 2 Objectives:

All Service functions have been transferred to IBM to deliver the Services under the current operating environment based on the Province's current workstation services interim delivery model document.

1. Delivery of the Services as defined by the Agreement under the current operating environment with IBM holding operational responsibility; and

2. Minimal disruption to the Province's services during the Interim Services Period.

Stage 3 Objectives:

Develop and implement the infrastructure to support the Services.

1. Implementation of the processes and tools as defined in the Agreement to support the Province's Supported Desktop environment; and

2. To transition all existing Province support functions to the new service delivery model.

Stage 2 and 3 Completion Criteria:

Stage 2

3. All Service functions have been transitioned to the new service delivery model as part of Stage 3 to deliver the Services.

Stage 3

4. IBM Support Personnel effectively using new tools and processes to deliver the Services in accordance with the Agreement.

5. Client Users using tools and processes to receive Services.

3.0 Transition Methodology

IBM's Transition methodology is based on IBM's globally adopted standardized process. The methodology focuses on the following three main activities:

1. Transition start up – this is a series of steps required to initiate the Transition. This includes but is not limited to organizing the resources, setting up an effective Transition project management infrastructure and joint project planning activities.

2. Transition manage – the processes in the manage phase define the steps to effectively manage the Transition using the project plans and a Transition project management system established during the Transition startup. IBM uses its project management methodology and repositories of intellectual capital to facilitate a smooth and efficient transition. IBM and the Province will jointly create step-by-step plans with clear decision points. Once major implementation activities are complete, IBM will have readiness reviews to ensure that all plan deliverables are in place as agreed in the exit criteria.

3. Transition close – the processes in the close phase define the steps to effectively end the Transition project and confirm completion of all deliverables associated with it

4.0 Transition Team Roles and Responsibilities

1. IBM and the Province will each appoint Transition Managers who will be responsible for overseeing the completion of their respective Transition responsibilities and coordinating activities for the duration of the Transition Period. Subproject Transition Managers will be assigned based on the scope of work to be completed as defined by the Transition Plan.

2. The IBM overall Transition Manager and the Province overall Transition Manager will report to the Joint Program Office and provide regular status reports as defined by the Joint Program Office.

3. The Transition Team will consist of members defined in the roles table below. Each party will be responsible for the assignment of members for their team. In addition, each party will provide resources as necessary to complete activities for Stage 2 and Stage 3 within the agreed project timelines.

4. The Transition Team will work together to facilitate the completion of the Transition Plan activities according to the agreed schedule and processes. The Transition Team will meet as defined by the Transition Plan to review the status of the Transition Plan activities and to address any issues.

5. Transition Team members will be assigned specific tasks to be accomplished within the time frames set forth in the Transition Plan. Required coordination will take place through the Transition meetings chaired by the Transition Managers. The Transition team will determine the frequency and location of all scheduled meetings. At a minimum, there will be a weekly meeting with the Province and IBM management to review the status of the Transition.

6. Each Transition Team member will present issues, concerns and comments at the scheduled meetings or as necessary. The plan for resolving issues, including the identification of the responsible team members and the scheduled dates for resolution, will be agreed to at the Transition meetings.

7. Roles

IBM ROLE	PROVINCE ROLE
IBM Lead Transition Manager	Focal Point for IBM Lead Transition Manager
IBM Stakeholder/Communications Oversight	Stakeholder/Communication Focal Point
IBM Transition Architect (overall arch. planning)	Focal Point for IBM Transition Architect
Services Transition Manager	Focal Point for IBM Services Transition Manager
IBM Project Control Officer	Focal point for IBM Project Control Officer; Logistics contact
IBM Service Desk Project Manager	Focal point for CITS
IBM Process Project Manager	Focal point for MHR
IBM Tools Project Manager	Focal point for EDUC
IBM Tools Architect	Focal point for AG/SG Focal point for Health Focal point for MCFD
Deskside Lead	Focal point for CITS
IMAC Lead	Focal point for MHR
Image Lead	Focal point for EDUC Focal point for AG/SG Focal point for Health Focal point for MCFD
Security Lead	Security Focal Point
Network Security	Network Focal Point
Interim Services Project Manager	Interim Services Focal Point
	Services Transition Champion

A detailed description of these roles will be documented in the Transition Plan.

8. Responsibilities

IBM and the Province will jointly establish and maintain throughout the Transition period a Transition team.

1. IBM Responsibilities:

(a) IBM will take the leadership role in the development and implementation of the Transition Plan;

(b) IBM will provide the IBM resources necessary to perform the responsibilities set forth in the Transition Plan;

(c) IBM will establish a Transition project office and manage, at a minimum, weekly Transition status meetings, tracking and reporting on the status of all tasks;

(d) IBM will provide regular updates to the Program Office describing the following:

(i) activities scheduled during the current reporting period;

(ii) activities accomplished during the current reporting period;

(iii) activities planned for the next reporting period; and

(iv) change control activity.

2. The Province Responsibilities:

(a) The Province will assist and approve the development and implementation of the Transition Plan;

(b) The Province will assign the appropriate resources to the Transition Team to participate in the Transition planning and implementation:

(i) The Province will provide representation and input from subject matter experts representing individual Clients, that will be required to assist in defining the criteria for the completion of the Transition subproject activities and deliverables;

(ii) The Province will provide IBM resources with access to the Facilities and systems affected as a result of the Transition project activities, or required by IBM in order to provide the Services;

(iii) The Province will provide, to the extent available, current documentation related to the Transition. This may include but is not limited to Province Subcontractor information, Facilities data, existing operational processes and procedures, systems documentation, configuration documentation, inventory data and technical documentation;

(iv) The Province will identify known current and future activities other than those identified elsewhere in the Agreement that may impact IBM's provision of the Services; and

(v) The Province will review and approve or reject the regular updates provided by IBM.

5.0 The Interim Services Period

The Interim Services Plan is the period of time between Commencement Date and the completion of Stage 3 - Process and Tools Transition. This period of time will run concurrent with Stage 3. Prior to the signing of the Agreement, IBM performs the tasks necessary to prepare the IBM service delivery team to manage the Services as of the Commencement Date through to the completion of Stage 3 Process and Tools implementation.

During the Interim Services Period:

IBM Responsibilities:

1. IBM will have operational responsibility for existing services and functions as defined by the agreed to Interim Services Plan and those applicable components of the Services related to security procedures such as remote take over service, disk erasure service and chargeable support for Standard products at non Province Facilities;

2. Service Desk:

   (a) IBM will maintain support services currently provided by the Province until Service Desk Transition completion;

   (b) IBM will utilize the Province's existing operating environment, processes and Facilities.

3. On-site Service Support, IMAC Coordination and IMAC Execution Services:

   (a) IBM will maintain the interim distributed systems support services currently provided by the Province until On-site Service Support, IMAC Coordination and IMAC Execution Services Transition completion;

   (b) IBM will follow existing distributed systems operating environment and support processes and define and integrate any new processes IBM requires to provide the Services;

4. Order Management

   (a) IBM will maintain the order management interim support services currently provided by the Province, limited to that allowable as defined within the Core Policy Manual;

5. Software Distribution, image management, Level 3 support, patch management

   (a) IBM will maintain the Electronic Software Distribution, image management, Level 3 support and patch management interim support services currently provided by the Province;

   (b) IBM will utilize the Province's existing operating environment, processes and Facilities.

6. Inventory Tracking

   (a) IBM will maintain the Province and it's suppliers' inventory tracking interim support services currently provided by the Province or as otherwise set forth in the Transition Plan;

   (b) IBM will, in cooperation with the Province, establish a mutually agreed upon baseline of inventory assets.

Province responsibilities:

7. The Province will provide IBM with a contact list that IBM will use for problem escalation and notification that includes the name, address, and contact numbers of each person;

8. The Province will provide IBM with the appropriate resources necessary for knowledge transfer;

9. The Province will provide in-progress or planned activities affecting IBM's provision of the On-site Service Support and IMAC Coordination and IMAC Execution Services;

10. The Province will perform its responsibilities related to security procedures such as remote take over service, disk erasure service and chargeable support for Standard products at non Province Facilities;

11. Service Desk:

    (a) The Province will provide IBM with all available documentation for support services currently provided by the Province until Service Desk Transition completion;

    (b) The Province will provide access to the Province's existing operating environment, processes and Facilities.

12. On-site Service Support, IMAC Coordination and IMAC Execution Services:

    (a) The Province will provide IBM with all available documentation for interim distributed systems support services currently provided by the Province until On-site Service Support, IMAC Coordination and Execution Services Transition completion;

    (b) The Province will provide access to the Province's existing distributed systems operating environment and support processes and define and integrate any new processes IBM requires to provide the Services;

13. Order Management

    (a) The Province will ensure that order management services are provided in accordance with the Core Policy Manual;

14. Software Distribution, image management, Level 3 support, patch management

    (a) The Province will provide IBM with all available documentation for the Software Distribution, image management, Level 3 support and patch management interim support services currently provided by the Province;

    (b) The Province will provide access to the Province's existing operating environment, processes and Facilities.

15. Inventory Tracking

    (a) The Province will provide IBM with all available documentation and authorization to third party information for the Inventory Tracking interim support services currently provided by the Province or as otherwise set forth in the Transition Plan;

    (b) The Province will, in cooperation with IBM, establish a mutually agreed upon baseline of inventory assets.

16. Service Levels and Reporting

    (a) Reporting will continue during the Interim Services Period as is currently done by the Province.

6.0 The Transition Plan

The Transition Plan will include but not be limited to:

1. Identifying the resources required to perform the project to complete the Transition during the Transition Period;

2. Providing Transition status updates and information to the Program Office ;

3. Identifying and addressing any business and technical issues that may impact the Transition;

4. Defining the Transition Team, which will report to the Program Office;

5. Documenting the Transition project management procedures for:

   (a) Issues management,

   (b) Deliverables management,

   (c) Risk Management,

   (d) Tracking and Reporting,

   (e) Communications Management,

   (f) Project Control.

6. Establishing the stakeholder and communications management plan:

   (a) IBM will, in cooperation with the Province, identify key stakeholders to be managed;

   (b) IBM will, in cooperation with the Province, ensure a coordinated strategy and plan for engaging and communicating with all relevant stakeholders;

   (c) IBM will, in cooperation with the Province, identify client/ministry areas level of resistance to service changes and develop activities to increase level of acceptance;

   (d) IBM will, in cooperation with the Province, develop and manage the engagement and communication transition plan for each stakeholder group;

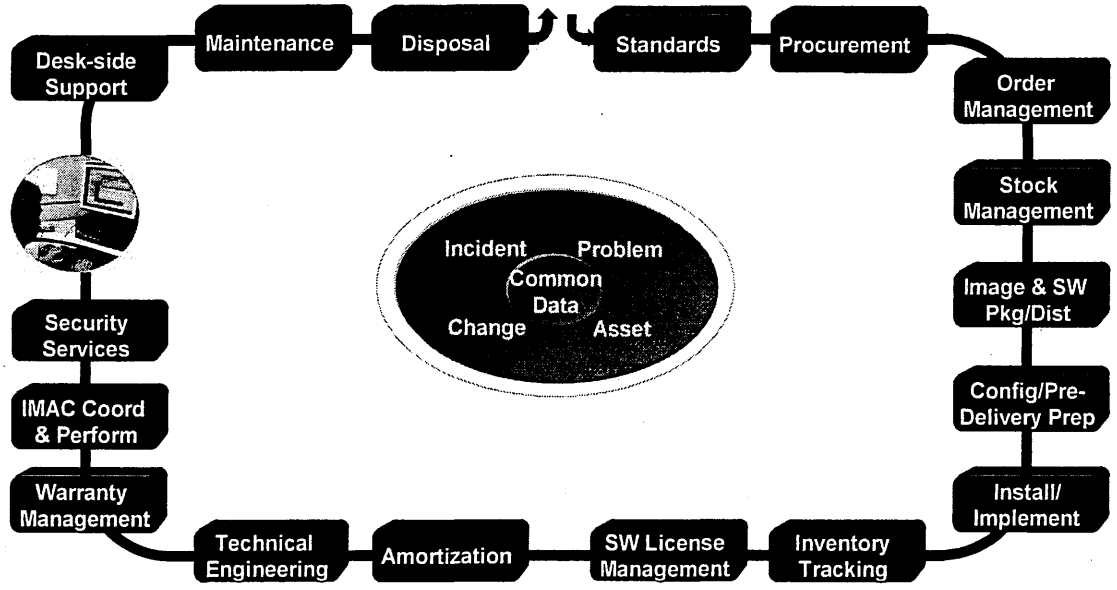
   (e) The Province will identify the Service Transition Champions within each Ministry to actively manage the change process and coordinate their activities in a proactive manner.

7.0 The Services Transition

This section will describe the tasks necessary to establish a single point of contact to assist Client Users with problem determination and resolution and to respond to Client User inquiries and requests for Services as set out in Service Desk Schedule.

1. Services Implementation

This section of the Transition Plan will describe the tasks necessary to transfer the management and support of the Province's distributed systems environment to IBM. The Services are described in the chart below.



The following describes the implementation activities for the process implementation:

IBM Responsibilities:

(a) IBM will implement the support services, as set forth in this Agreement;

(b) IBM will establish a single point of contact;

(c) IBM will define the business continuity plan;

(d) IBM will work with the Province to establish the size of the pools for hot spares, consumables and parts at each Facility;

(e) IBM will work with the Province to address technical and business issues that may impact the Transition;

(f) IBM will work with the Province to build a knowledge database for support of the Services;

(g) IBM will develop and implement a training plan for IBM Support Personnel on the new processes and tools;

(h) IBM will develop and deliver to the Province for their review and comments the framework of the Process Interface Manual within five (5) months of the Commencement Date;

(i) Monthly and monthly there after, after the framework of the Process Interface Manual has been delivered, IBM will provide a draft of the Process Interface Manual to the Province for their review and comments until the end of Stage 3 Transition;

(j) IBM will, in cooperation with the Province, develop a test plan for the tools and processes;

(k) IBM will abide by the Province physical and logical security guidelines as provided by the Province;

(l) IBM will perform a process definition workshop to define owners of the service functions, processes for the Service, and clarifying roles and responsibilities related to the Services;

(m) IBM will implement the policies and processes as defined in the Process Interface Manual; and

(n) IBM will establish a baseline validation process for asset reconciliation and billing purposes.

Province Responsibilities:

(o) The Province will assist IBM in identifying technical and business issues that may impact the Transition;

(p) The Province will assist in transition to assignment of designated 3rd party contracts as identified in the Agreement;

(q) The Province will assist in identifying Facilities for IBM Support Personnel whose role will require them to work there;

(r) The Province will assist in provision of licenses where IBM is required to support those products;

(s) The Province will provide access to IDIR;

(t) The Client, will assist IBM in creating a document which defines the roles and responsibilities between IBM Service Desk and each line of business application service desk, which includes process details;

(u) The Province will promote the usage of automation Self Help;

(v) the Province will assist IBM in establishing the size of the pools for hot spares, consumables and parts at each Facility;

(w) the Province will assist IBM to build a knowledge database for support of the Services;

(x) The Province will approve or reject the implementation based on test results for support technology;

(y) The Province will provide physical and logical security guidelines and access as required to fulfill the requirements of the Transition Plan; and

(z) The Province will approve the Process Interface Manual and implement the process as defined in the Process Interface Manual.

2. Support Technology Implementation

(a) The following support technologies will be implemented as part of the Stage 3 Process and Tools Implementation Plan for the Services within the Agreement.

3. Service Levels and Reporting

(a) Service Levels to be delivered as set out in Service Level Schedule. Reporting to be delivered as set out in Operational Reporting Schedule.

(b) During the Stage 3 Process and Tools Implementation:

(i) IBM will perform Service Level validation;

(ii) IBM will develop the reporting and measurements related to the Service Levels;

(iii) IBM will ensure Service Levels are embedded in the tools and processes being deployed;

(iv) IBM will document Service Levels, train IBM Support Personnel and provide appropriate communication;

(v) IBM will manage changes driven by IBM and the Provinces business needs; and

(vi) IBM will create and publish the service catalogue for services provided under this Agreement.

4. Security

This section describes the need to understand the Province's existing current security policy and practice including IT security scope, processes, security settings, and requirements as related to the Services. The finding of this review effort will form a baseline and be formally documented through the following process:

IBM Responsibilities:

(a) IBM will conduct technical reviews to document the Province's current security status;

(b) IBM will collect the Province's most recent internal IT security report to document how well the Province has performed against their existing standards;

(c) IBM will document and base line the current security findings in IBM's GSD331 Security document; and

(d) IBM will conform to the security provisions of the Master Service Agreement and Schedule R.

Province Responsibilities:

(e) The Province will provide a security focal point to work with IBM in documenting the security requirements;

(f) The Province will provide the most recent internal IT security report;

(g) The Province will provide current security policy; and

(h) The Province will approve IBM's GSD331 document upon its completion.

8.0 Application Inventory and Assessment

IBM will:

1. prepare a Project Plan for the Application Inventory and Assessment Project within thirty (30) Business Days from the Commencement Date.

The Province will:

2. assist in the development of the Application Inventory and Assessment Project Plan

3. approve or reject the Application Inventory and Assessment Project Plan.

MASTER TRANSFER AGREEMENT

between

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, AS REPRESENTED BY THE MINISTER OF MANAGEMENT SERVICES

and

IBM CANADA LIMITED

as of December 3, 2004

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THIS MASTER TRANSFER AGREEMENT is entered into as of December 3, 2004, between **IBM Canada Limited** ("**IBM**"), a company incorporated under the laws of Canada and **Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Management Services** (the "**Province**"). IBM and the Province are sometimes referred to in this Agreement each as a "**Party**" and collectively as the "**Parties**".

RECITALS

A. The Province and IBM are entering into a Master Services Agreement of even date, pursuant to which IBM will provide certain services to the Province.

B. The Province and IBM are entering into this Agreement as contemplated by the Master Services Agreement.

C. ISM is a wholly owned subsidiary of IBM.

IN CONSIDERATION of the foregoing and the mutual covenants and agreements contained in this Agreement, the Parties covenant and agree as follows:

ARTICLE 1 - INTERPRETATION AND GENERAL MATTERS

1.1 Definitions.

Unless otherwise provided in this Agreement, capitalized terms shall have the meanings given to those terms in the Master Services Agreement or in the attached **Schedule 1**. In addition to the definitions contained in the Master Services Agreement and **Schedule 1**, any capitalized terms defined elsewhere in this Agreement shall have the meanings so given to them.

1.2 Interpretation.

Sections 1.2 – 1.9, Section 1.12 and Section 1.14 of the Master Services Agreement are expressly incorporated and shall form a part of this Agreement.

1.3 Schedules.

The following are the Schedules attached to this Agreement, which are incorporated into this Agreement by reference and deemed to be an integral part of this Agreement:

Schedule 1	-	Definitions
Schedule 2	-	List of Transferred Employees
Schedule 3	-	Province Benefit Plans
Schedule 4	-	Transferred Employee Claims
Schedule 5	-	Assignable Contracts
Schedule 6	-	Transition Procedures
Schedule 7	-	Proposal for Assignment of Assignable Contracts

1.4 Document Conflicts.

The main body of this Agreement, the Schedules attached to this Agreement and the Transaction Documents are to be interpreted so that all of the provisions are given as full effect as possible. In the event of a conflict between the foregoing, the order of precedence shall be as follows:

(a) first, the main body of this Agreement;

(b) second, any Schedules attached to this Agreement;

(c) third, any other Transaction Documents; and

(d) fourth, any provisions of the JSDA that survive the execution of this Agreement, which provisions are attached as Schedule 2 of the Master Services Agreement.

ARTICLE 2 - CONTRACTS

2.1 Transition of Assignable Contracts.

From and after the Effective Date until January 1, 2005, the Parties shall cooperate and work towards transitioning the Assignable Contracts from the Province to IBM in a manner that is mutually acceptable to both the Province and IBM. The Parties agree that the attached **Schedule 7** sets forth a framework in which the Parties propose to fulfill their respective obligations under this Section 2.1 and that the attached **Schedule 7** is for reference purposes only and is not intended to create binding contractual obligations between the Parties. Notwithstanding Section 1.4, to the extent that any part of the Transaction Documents conflicts with the attached **Schedule 7**, the part of the Transaction Documents shall govern.

2.2 Termination of Assignable Contracts

From and after January 1, 2005, the Province shall have the right, exercisable in its sole discretion and without any liability to IBM, to terminate any or all of the Assignable Contracts, in accordance with there terms and conditions, which are not Assigned Contracts.

2.3 Non-Assignable Rights.

Nothing in this Agreement or any agreement entered into between the Province and IBM in respect of the Assignable Contracts shall be construed as an assignment of, or an attempt to assign to IBM, any Assignable Contract which, as a matter of Applicable Law or by its terms, is: (i) not assignable; or (ii) not assignable without the approval or consent of the issuer thereof or the other party or parties thereto, without first obtaining such approval or consent (collectively, the "**Non-Assignable Rights**"). In connection with such Non-Assignable Rights, the Province shall, at the request of IBM:

(a) maintain or cause to be maintained the existence of the holder of the Non-Assignable Rights and hold or cause the holder to hold the Non-Assignable Rights in trust for IBM to the fullest extent lawful;

(b) comply with the terms and provisions of the Non-Assignable Rights as agent for, and on behalf of, IBM to the fullest extent lawful;

(c) apply for and use its reasonable efforts to obtain all consents or approvals contemplated by the Assignable Contracts, in a form satisfactory to IBM, acting reasonably;

(d) co-operate with IBM in any reasonable and lawful arrangements designed to provide the benefits of the Non-Assignable Rights to IBM;

(e) diligently enforce any rights of the holder thereof arising from such Non-Assignable Rights against the issuer thereof or the other party or parties thereto;

(f) take or cause to be taken all such actions and do, or cause to be done, all such things at the request of IBM as shall reasonably be necessary and proper in order that the value of the Non-Assignable Rights shall be preserved and shall enure to the benefit of IBM; and

(g) pay over or cause to be paid over to IBM all monies collected by or paid to the holder of the Non-Assignable Rights in respect of such Non-Assignable Rights.

2.4 Indemnity for Contract Obligations.

The indemnities contained in Sections 22.2(c), 22.3(a)(i) and 22.3(b) of the Master Services Agreement, together with all other provisions of Article 22 of the Master Services Agreement necessary for the application of the foregoing indemnities, are expressly incorporated into and shall form a part of this Agreement.

ARTICLE 3 - EMPLOYEES

3.1 Offers of Employment.

ISM made offers of employment to all of the In-scope Employees on November 2, 2004 except the Extended Leave Employees. Those In-scope Employees who have accepted ISM's offer of employment are set forth in the attached **Schedule 2**, identified as Transferred Management Employees and Transferred Union Employees and specifying which of the Transferred Management Employees and Transferred Union Employees are Contingent Transferred Employees. The Parties acknowledge and agree that the information contained within **Schedule 2** is current as at the Effective Date, and agree to provide an updated **Schedule 2** to each other should the information contained therein change between the Effective Date and the Commencement Date.

3.2 Waiver of Probationary Period.

At the Province's request, IBM will cause ISM to waive all new probationary periods with respect to the employment of the Transferred Employees. Probationary periods related to a Transferred Employee who has not completed the probationary period set out in a Province issued employee offer letter prior to that employee's Employment Transfer Date will be required to complete the probationary period with ISM.

3.3 Extended Leave Employees.

ISM shall offer employment to each Extended Leave Employee who returns to work with the Province within 25 months after the Commencement Date. Each Extended Leave Employee shall receive an offer of employment from ISM the day after such Extended Leave Employee's leave expires. Upon the expiry of the Extended Leave Employees' leave in accordance with its terms, each Extended Leave Employee shall have 14 days to accept or reject the ISM offer of employment. Each Extended Leave Employee who accepts the ISM offer of employment shall become a Transferred Employee and an employee of ISM effective as of the date specified in the offer of employment. Extended Leave Employees who reject ISM's offer of employment shall remain employees of the Province.

3.4 Continued Employment.

IBM shall cause ISM to:

(a) effective as of the applicable Employment Transfer Date for each Transferred Management Employee, assume the employment of, and become the employer of, all Transferred Management Employees in accordance with the provisions of this Agreement;

(b) effective as of the Commencement Date, become a successor to the Province and the successor employer of the Transferred Union Employees; and

(c) effective as of the Commencement Date, enter into a Collective Bargaining Agreement which will apply to the Transferred Employees formerly covered by the Collective Agreement.

3.5 Employment Terms and Conditions.

Effective on the applicable Employment Transfer Date for each Transferred Employee, IBM will cause ISM to employ each Transferred Employee on the terms and conditions that are comparable in all material respects, when taken in the aggregate, to those terms and conditions of employment as in effect, with the Province, immediately prior to the applicable Employment Transfer Date in the case of each Transferred Employee who is not a Contingent Transferred Employee, or immediately prior to the Transferred Employee commencing his or her leave in the case of each Contingent Transferred Employee, including (but subject to the terms and conditions of this Agreement):

(a) a position, job title, duties and work conditions comparable in the aggregate to those associated with the Transferred Employee's position with the Province prior to the Transferred Employee's Employment Transfer Date, or the date on which the Transferred Employee commenced his or her leave in the case of each Contingent Transferred Employee, as the case may be;

(b) the same base rate of pay or salary, as applicable, in effect immediately prior to the Employment Transfer Date in the case of each Transferred Employee who is not a Contingent Transferred Employee, or of record in the case of each Contingent Transferred Employee;

(c) recognition of past service with the Province, to the extent recognized or required by law or the Collective Agreement to be recognized by the Province, for all purposes including but not limited to notice of termination of employment or pay in lieu, severance calculations, participation in retirement allowance plans, vacation entitlement and pay and statutory holiday entitlement and pay;

(d) participation in the ISM Benefit Plans in accordance with Article 5; and

(e) participation in the same pension benefits continuing to be provided by ISM under the Public Service Pension Plan.

3.6 Province Employee Liabilities.

The Province shall be responsible for, and shall indemnify and save ISM harmless from and against any and all Claims, howsoever arising, in respect of or in any way related to:

(a) salary, wages, bonuses, commissions and other compensation relating to the employment of all Transferred Employees by the Province prior to their applicable Employment Transfer Dates;

(b) the employment of all In-scope Employees who are not Transferred Employees, regardless of the time period involved;

(c) any injury, disability, death or workers' compensation, arising from or related to the employment of all Transferred Employees prior to their Employment Transfer Dates;

(d) for any non-pension employee benefits relating to the employment of Transferred Employees prior to their Employment Transfer Dates;

(e) the Transferred Employee Claims;

(f) the interpretation, application or administration of the Collective Agreement or the provisions of the Collective Agreement (including Article 36.2(c)(b) if applicable) relating to the period prior to the Commencement Date or, with respect to the Contingent Transferred Employees who are Union Employees, their applicable Employment Transfer Dates;

(g) representations made by the Province in writing to In-Scope Employees prior to the Commencement Date, regarding employment with ISM, unless such representations were authorized by IBM or ISM in writing; and

(h) long term disability of a Contingent Transferred Employee that occurs after that Contingent Transferred Employee's Employment Transfer Date as a result of a Recurring Illness or Injury for which the Province is required to provide long term disability coverage under the Province Benefit Plans pursuant to Section 3.8.

3.7 ISM Employee Liabilities.

IBM shall cause ISM to assume and be responsible for, and IBM shall indemnify and save the Province harmless from and against, any and all Claims, howsoever arising, in respect of:

(a) salary, wages, bonuses, commissions, entitlements under any and all employment agreements established by ISM and other compensation relating to employment by ISM of each Transferred Employee from and after his or her applicable Employment Transfer Date;

(b) payment in lieu of notice and other severance payments, damages for wrongful dismissal and legal costs and disbursements on a basis that is fully compensatory to the Province in respect of the termination by ISM of any of any one or more of the Transferred Employees following their applicable Employment Transfer Dates;

(c) Claims made by Transferred Employees arising from their employment relationship with ISM, including, without limitation, those based on injury, disability, death or workers' compensation, from and after their applicable Employment Transfer Dates;

(d) non-pension employment benefits relating to the employment by ISM of the Transferred Employees provided that ISM's responsibility for such benefits is subject to the Transferred Employees participating in the applicable ISM Benefit Plan, as contemplated in Section 5.1, on the date the claim was incurred, but irrespective of whether any Transferred Employee participates in the applicable ISM Benefit Plan, IBM shall indemnify the Province for any such Claim;

(e) ISM's participation or obligation to participate in the Public Service Pension Plan as required by Article 6;

(f) the interpretation, application or administration of the Collective Bargaining Agreement from and after the Commencement Date;

(g) representations made by IBM or ISM in writing to In-Scope Employees prior to the Commencement Date, regarding employment with ISM, unless such representations were authorized by the Province in writing; and

(h) long term disability of a Contingent Transferred Employee that occurs after that Contingent Transferred Employee's Employment Transfer Date unless such long term disability is as a result of a Recurring Illness or Injury for which the Province is required to provide long term disability coverage under the Province Benefit Plans pursuant to Section 3.8.

3.8 Contingent Transferred Employees on Long Term Disability.

If any Contingent Transferred Employee who is on long term disability as at the Commencement Date commences employment with ISM in accordance with this Agreement and within six months of commencing employment with ISM goes back on long term disability for the same illness or injury for which the Contingent Transferred Employee is on long term disability as at the Commencement Date (a "**Recurring Illness or Injury**"), then the Province shall provide long term disability coverage under the Province Benefit Plans for that Contingent Transferred Employee in respect of the Recurring Illness or Injury and ISM shall not be required to provide long term disability coverage therefor under the ISM Benefit Plans.

3.9 Payroll.

Effective as of each Transferred Employee's applicable Employment Transfer Date, each Transferred Employee shall be included in the payroll system of ISM and shall be automatically removed from the Province payroll system.

3.10 Employee Files.

The Province shall retain all employee files and records of the Transferred Employees prior to their applicable Employment Transfer Dates.

3.11 Declined ISM Conditional Offers of Employees.

The Province will continue to be the employer of all In-Scope Employees who do not become Transferred Employees pursuant to this Agreement. IBM and ISM will not have any obligation to employ, or make any offer to employ, any In-Scope Employee who does not become a Transferred Employee pursuant to this Agreement.

3.12 Transferred Employees Performance of Services

The Province acknowledges that ISM is conducting criminal background checks of the Transferred Employees but such checks are not likely to be completed prior to the Commencement date. The Province agrees that throughout the Term it will raise no objection to the involvement in the delivery of the Services of any Transferred Employee on the basis of any criminal record of such Transferred Employee existing as of that Transferred Employee's Employment Transfer Date and IBM shall be entitled to make use of any Transferred Employee in the delivery of the Services throughout the Term, notwithstanding any such criminal record.

ARTICLE 4 - TRANSITION OF EMPLOYEES

4.1 Transition Employees.

The Province shall, and IBM shall cause ISM to, comply with the provisions contained in **Schedule 6** regarding the transition of Transferred Employees from the Province to ISM.

ARTICLE 5 - NON-PENSION BENEFITS

5.1 Transition of Non-Pension Benefit Plans.

Effective as of the Commencement Date, IBM shall cause ISM to establish employee benefit plans (the "**ISM Benefit Plans**") that are comparable in the aggregate, when considering such factors as eligibility criteria, coverages, coverage maximums, deductibles and employee premium levels, to the Province Benefit Plans immediately prior to the Commencement Date. From and after each Transferred Employee's applicable Employment Transfer Date, each Transferred Employee shall cease to receive employee benefit coverage under the Province Benefit Plans. Promptly after each Transferred Employee's applicable Employment Transfer Date, IBM shall cause ISM:

(a) to deliver to that Transferred Employee any forms that the Transferred Employee is required to complete in order to be enrolled in the ISM Benefit Plans; and

(b) subject to receiving completed forms described in Section 5.1(a) from the Transferred Employee, enroll that Transferred Employee in the ISM Benefit Plans with coverage thereunder effective from and after that Transferred Employee's Employment Transfer Date.

5.2 Waiver of Plan Requirements.

Any pre-existing condition limitations, evidence of insurability requirements, waiting periods for benefit coverage with respect to any ISM Benefit Plan shall be waived for each Transferred Employee and his or her eligible dependants once such employee has commenced employment with ISM.

5.3 Transferred Employee Accrued Benefits.

Effective as of the Employment Transfer Date for each Transferred Employee, IBM shall cause ISM to recognize, but shall not assume any liability associated with, the Province Time Bank Days and Accrued Pre-1978 Sick Bank of such Transferred Employee accrued during his or her employment with the Province prior to his or her applicable Employment Transfer Date. From and after their applicable Employment Transfer Dates, Transferred Employees shall accrue additional entitlements under the ISM time bank program. The Province shall calculate the amount of the Province's liability associated with the Province Time Bank Days ("**Province Time Bank Liability**"), in accordance with the provisions of such programs as disclosed to ISM, to the Commencement Date, for all Transferred Employees whose employment will transfer from the Province to ISM on the Commencement Date and the Province shall pay ISM the amount of the Province's Time Bank Liability, together with the Province Accrued Pre-1978 Sick Bank Liability, within 30 days after the Commencement Date. The Province shall pay ISM the amount of any Province Time Bank Liability for Contingent Transferred Employees within 30 days after such Contingent Transferred Employee's Employment Transfer Date.

5.4 Prepaid Benefits.

Notwithstanding Section 5.1, if the Province provides evidence satisfactory to ISM that it has prepaid any expense, fee or premium for a Province Benefit Plan covering a Transferred Employee for a benefit receivable by such Transferred Employee after his or her applicable Employment Transfer Date, which prepayment reduced ISM's cost of providing a comparable benefit on or after that Employment Transfer Date, IBM shall cause ISM to credit the Province the lesser of the portion of such expense, fee or premium paid by the Province in respect of a period after the Employment Transfer Date and the reduction in ISM's costs for providing the comparable benefit, by way of a special credit through the Master Services Agreement.

5.5 Reimbursement of Retirement Allowance Costs.

In the event a Transferred Employee is eligible to receive a Retirement Allowance Entitlement and elects to trigger such Retirement Allowance Entitlement during the Initial Term, ISM may seek reimbursement from the Province by giving written notice to the Province, not less than 30 days in advance of the payment of such Retirement Allowance Entitlement. Such notice will include the name of the Transferred Employee who has elected to receive a Retirement Allowance Entitlement, the amount of the Retirement Allowance Entitlement, the amount of the Retirement Allowance Cost, the number of years of employment with the Province and the number of years of employment with ISM. The amount of the Retirement Allowance Entitlement and the Retirement Allowance Cost are subject to the review of the Province. If the Province does not agree with such amounts, the Province will forthwith notify ISM, and IBM shall cause ISM to then consult with the Province to establish a mutually agreeable Retirement Allowance Cost. Upon payment of the Retirement Allowance Entitlement to the Transferred Employee by ISM, IBM shall cause ISM to deliver a reimbursement request to the Province for the reimbursement of the Retirement Allowance Cost. Within 45 days of the receipt of such reimbursement request during the Initial Term, the Province will reimburse ISM for the Retirement Allowance Cost paid to an eligible Transferred Employee provided that:

(a) the amount of the Retirement Allowance Cost was reviewed and agreed to by the Province in accordance with this Section 5.5;

(b) the Transferred Employee elects and was paid the Retirement Allowance Entitlement by ISM within the Initial Term;

(c) ISM has provided evidence as may be reasonably required by the Province as to such election and of the payment of the approved Retirement Allowance Entitlement to such Transferred Employee; and

(d) ISM has provided to the Province an originally signed release from such Transferred Employee releasing all liabilities and obligations of the Province to such Transferred Employee as a predecessor employer, in such form and on such terms as the Province may reasonably require.

ARTICLE 6 - PENSION

6.1 Enrolment of ISM in Public Service Pension Plan.

IBM represents and warrants to the Province that ISM is a participating employer under the Public Service Pension Plan that IBM has provided evidence satisfactory to the Province confirming such enrolment. Except with the prior written consent of the Province, which consent shall not be unreasonably withheld, during the Term, IBM shall cause ISM to remain a participating employer under the Public Service Pension Plan for the purposes of continuing to provide pension benefits to the Transferred Employees.

6.2 Transition of Pension.

Effective as of their applicable Employment Transfer Dates, Transferred Employees shall be included in the Public Service Pension Plan as employees of ISM and shall be automatically removed from coverage as employees of the Province under the Public Service Pension Plan and IBM shall cause ISM to promptly provide the requisite enrolment forms to the Public Service Pension Plan for each Transferred Employee.

6.3 New Employees.

Those Transferred Employees who had not qualified for membership in the Public Service Pension Plan prior to their applicable Employment Transfer Dates shall have their period of service with the Province recognized for the purposes of completing the waiting period for membership in the Public Service Pension Plan after their applicable Employment Transfer Dates. Subject to any applicable collective agreements, all employees hired by ISM after the Commencement Date who report to work in British Columbia shall be eligible to participate in the Public Service Pension Plan after completing the waiting periods and other prerequisites for membership.

ARTICLE 7 – SETTLEMENTS

7.1 Timing of Benefit Claims.

For the purposes of this Agreement and in particular the respective obligations of the Parties regarding employee benefits contemplated in this Agreement, a claim for benefits will be deemed to have been incurred, whether or not reported:

(a) with respect to death or dismemberment, on the actual date of death or dismemberment;

(b) with respect to short-term and long-term disability, on the date the claimant became disabled from working as determined in accordance with the applicable plan;

(c) with respect to all medical, dental or vision claims, on the date a service or supply giving rise to the claim under the applicable plan is purchased or received by the claimant or his or her eligible dependent; and,

(d) notwithstanding Section 7.1(c), with respect to a claim that includes more than one service or supply, each of which occurs at a single point in time (for example, a series of dental appointments related to a treatment plan), each such service or supply will result in a separate claim incurred as of the date on which the supply or service is purchased or received as aforesaid. If sufficient information is not available to identify charges associated with each claim (but is sufficient for payment of the claims in the ordinary course of claims adjudication), the total charges will be prorated over the number of claims and reimbursed subject to the terms and conditions of the applicable ISM Benefit Plan or Province Benefit Plan.

ARTICLE 8 - REPRESENTATIONS AND WARRANTIES

8.1 Representations and Warranties of the Province.

The Province represents, warrants and covenants to IBM as follows, and acknowledges that IBM is relying upon such representations and warranties in entering into this Agreement and completing the transactions contemplated in this Agreement:

Corporate Matters

(a) *Power and Authority:* The Province has full power and authority to enter into, execute and deliver this Agreement, and as of the Commencement Date will have the full power and authority to perform its obligations under this Agreement, and this Agreement has been or will be duly executed and delivered by the Province, and constitutes or will constitute a legal, valid and binding obligation of the Province enforceable against the Province in accordance with its terms, subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforceability of creditors' rights;

(b) *Execution and Delivery:* Neither the execution and delivery of this Agreement, nor the compliance with the terms thereof by the Province:

(i) has resulted or will result in a violation of any Applicable Laws, or

(ii) requires the approval or consent of any Person or any Governmental Authority except such as has been obtained as of the date of this Agreement or has will have been obtained on or before the Commencement Date.

Employee Matters

(c) *Employee Information:* As of the Effective Date, with respect to the Transferred Employees, the Province has provided IBM the material terms of employment and relevant information relating to:

(i) seniority, date of hire, position, and job level, current salary, hourly wage rate, specifics of any incentive, bonus, commission or other compensation plans of which such Transferred Employee is or has been in the past twenty-four months and the amounts paid to each In-scope Employee thereunder;

(ii) which of the Transferred Employees are on approved leave as of the Effective Date;

(iii) the Province Time Bank Days for each Transferred Employee accrued prior to the Commencement Date; and

(iv) for those Transferred Union Employees who are members of the BCGEU, whether such Transferred Union Employees is a Regular Employee or an Auxiliary Employee.

(d) *Employee Benefit Plans*: As of the Effective Date, a correct and complete list of the Province Benefit Plans, as amended, is set forth in **Schedule 3**. Copies of all written Province Benefit Plans together with copies of all documents relating to the Province Benefit Plan have been made available to IBM.

(e) *Employee Claims*: As of the Effective Date, except as set forth in **Schedule 4**, there are no Claims nor, to the knowledge of the Province, are there any threatened Claims, against the Province pursuant to any Applicable Laws relating to the Transferred Employees, including employment standards, human rights, labour relations, workers compensation, pay or employment equity. To the knowledge of the Province, nothing has occurred with respect to the Transferred Employees which might lead to a Claim against the Province under any such Applicable Laws.

(f) *Employee Agreements*: As of the Effective Date, the Province has not made any oral or written commitments to the Transferred Employees relating to their employment by the Province or ISM that have not been disclosed to IBM.

(g) *Pension Plan:* As of the Effective Date, the Province is a participating employer in good standing in the Public Service Pension Plan and has remitted, or will after the Effective Date remit within the time limits required pursuant to the Public Service Pension Plan and the Pension Benefits Standards Act, all contributions owing from the Province as at the Commencement Date, based upon assessment rates established prior to the Commencement Date, in respect of the Transferred Employees for service and earnings earned prior to their applicable Employment Transfer Date and all contributions owing from the Transferred Employees in respect of such periods that have been withheld from Transferred Employees but that have not been remitted as of the Commencement Date.

8.2 Representations and Warranties of IBM.

IBM represents, warrants and covenants to the Province as follows, and acknowledges that the Province are relying upon such representations and warranties in entering into this Agreement and in completing the transactions contemplated in this Agreement:

Corporate Matters

(a) As of the Effective Date, IBM is a corporation duly incorporated and validly existing under the provisions of the *Canada Business Corporations Act* and is in good standing with respect to the filing of annual returns thereunder;

(b) As of the Effective Date, ISM is a corporation duly incorporated and validly existing under the provisions of the *Canada Business Corporations Act* and is in good standing with respect to the filing of annual returns thereunder;

(c) IBM has all necessary power, capacity and legal authority to enter into, execute and deliver this Agreement and to perform its respective obligations hereunder and this Agreement has been or will be duly executed and delivered by IBM, and constitutes or will constitute a legal, valid and binding obligation of IBM enforceable against IBM in accordance with its terms, subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforceability of creditors' rights, and to the fact that specific performance and injunctive relief are equitable remedies available only in the discretion of the court;

(d) ISM has all necessary power, capacity and legal authority to employ the Transferred Employees and to perform all of the obligations hereunder that IBM has covenanted to the Province that IBM will cause ISM to perform, and IBM and ISM have entered into legal, valid and binding agreements pursuant to which ISM has agreed to perform all of the obligations hereunder that IBM has covenanted to the Province that IBM will cause ISM to perform;

(e) neither IBM nor ISM is a party or subject to any contract or other agreement that has a material adverse effect on, or otherwise prevents or materially impairs, IBM's or ISM's ability to perform its duties and obligations under this Agreement;

(f) neither the execution and delivery of this Agreement, nor the compliance with the terms thereof by IBM or ISM:

(i) has resulted or will result in a violation of any Applicable Laws (but excluding therefrom the BCGEU Action),

(ii) has resulted or will result in a breach of, or constitute a default under, IBM's constating documents, any shareholders' agreement to which it is a party, or any shareholder or directors' resolutions, which would have a material adverse effect on IBM's ability to perform its obligations under this Agreement and the other Transaction Documents,

(iii) has resulted or will result in a breach of, or constitute a default under any instrument or agreement to which IBM is a party or by which IBM's bound, which would have a material adverse effect on IBM's ability to perform its obligations under this Agreement and the other Transaction Documents, or

(iv) requires the approval or consent of any Person or any Governmental Authority except such as has been obtained as of the date of this Agreement or has will have been obtained on or before the Commencement Date.

8.3 Notification of Breach of Representations and Warranties.

Each Party shall promptly notify the other if any of the representations and warranties made by it in this Agreement, ceases to be true, accurate and complete in any material respect and of any failure to comply in any material respect with any of its obligations under this Agreement.

8.4 Survival of Representations and Warranties.

The representations, warranties and covenants set forth in this Agreement shall remain true and correct in all material respects throughout the Term (except as otherwise noted) and provided that any Claims by a Party with respect thereto shall be made within the limitation period therefor under Applicable Law.

ARTICLE 9 - EFFECTIVE DATE

9.1 Effective Date.

The execution of the documentation to effect the transactions contemplated by this Agreement shall take place at the offices of the Ministry of Management Services at 548 Michigan Street, Victoria, British Columbia, V8W 9W1 with effect as of the Effective Date or at such other time or place as both the Province and IBM may agree.

9.2 Deliveries at Closing.

At the closing of the transactions contemplated by this Agreement:

(a) the Province shall deliver to IBM duly executed copies of the Transaction Documents; and

(b) IBM shall deliver to the Province duly executed copies of the Transaction Documents and a certificate signed by two of IBM's Vice-Presidents certifying:

(i) that the individual or individuals signing the Transaction Documents on behalf of IBM has or have the authority to execute and deliver the Transaction Documents on behalf of IBM; and

(ii) a true and complete copy of such extracts of resolutions of IBM's board of directors, IBM's constating documents or such other documents that establish such authority to the Province's satisfaction.

It shall be a condition of the closing that the execution and delivery of the Transaction Documents by any Party to the other, pursuant to the terms of this Agreement, shall be concurrent requirements, and that nothing shall be completed at the Effective Date until everything required under the Transaction Documents has been, executed and delivered, or otherwise waived in writing by the Party to whom the delivery is to be made, as the case may be.

ARTICLE 10 - CONFIDENTIALITY

The confidentiality provisions contained in Sections 14.8 and 14.12 of Article 14 of the Master Services Agreement are expressly incorporated into and shall form a part of this Agreement.

ARTICLE 11 - DISPUTES

The dispute resolution provisions contained in Article 24 of the Master Services Agreement are expressly incorporated into and shall form a part of this Agreement.

ARTICLE 12 - TERMINATION

In the event that the Master Services Agreement is terminated for any reason prior to the Commencement Date, this Agreement shall terminate and cease to be of further force or effect.

ARTICLE 13 - MISCELLANEOUS

13.1 Notice.

Wherever under this Agreement one Party is required or permitted to give notice to the other Party (and no specific person is named as the appropriate recipient of such notice), such notice shall be in writing and shall be delivered in accordance with Section 32.1 of the Master Services Agreement.

13.2 Severability.

If any provision contained in this Agreement or its application to any Person or circumstance shall, to any extent, be invalid or unenforceable, then the remainder of this Agreement or the application of such provision to Persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected, and each provision of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law. In addition, any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. In respect of any provision determined to be unenforceable or invalid in a BC Court, the Parties agree to negotiate in good faith to replace the unenforceable or invalid provision with a new provision that is enforceable and valid in order to give effect to the business intent of the original provision to the extent permitted by British Columbia and Canadian law and in accordance with the intent of this Agreement.

13.3 Entire Agreement.

This Agreement and the Schedules to this Agreement, together with the Transaction Documents, and all other documents or agreements referred to herein or therein, constitute the entire agreement between the Parties with respect to the subject matter hereof and cancels and supersedes any other prior agreements, undertakings, declarations, commitments, representations, warranties, conditions, promises and understandings, whether written or oral, among the Parties with respect to the subject matter hereof.

13.4 Amendments.

No term or provision of this Agreement may be amended except by written instrument signed by each of the Parties or by a Change Order as contemplated in Article 17 of the Master Services Agreement, which shall be considered by the Joint Program Office for approval, and if necessary, escalated through the Governance Process.

13.5 Waiver.

Failure by a Party to insist in any one or more instances upon the strict performance of any one of the terms, provisions or covenants contained in this Agreement shall not be construed as a waiver or relinquishment of such term, provision or covenant. No consent or waiver, express or implied, by a Party to or of any breach or default by another Party in the performance by such other Party of any term, provision or covenant under this Agreement shall be deemed or construed to be a consent or waiver to or of any other breach or default such other Party under this Agreement. No waiver of any breach of any

term, provision or covenant of this Agreement shall be effective or binding unless made in writing and signed by the waiving Party.

13.6 Further Assurances.

Each of the Parties shall, from time to time, execute and deliver all such further documents and instruments and do all such further acts and things as the other Party may reasonably require to carry out or better evidence or perfect the full intent and meaning of this Agreement.

13.7 Obligations as Covenants.

Each obligation of a Party in this Agreement, even though not expressed as a covenant, is considered for all purposes to be a covenant.

13.8 Transaction Fees and Commissions.

Each Party shall be responsible for and pay its respective legal and accounting costs and other expenses incurred in connection with the preparation, execution and delivery of this Agreement (including all prior steps and actions taken in respect to the JSRFP), the Transaction Documents and all other documents and instruments prepared, executed or delivered pursuant thereto or to this Agreement.

13.9 Survival.

Unless otherwise provided in this Agreement, the following provisions, including the obligations of IBM and the Province thereunder shall survive the expiration or termination of this Agreement: Sections 2.3, 3.3, 3.6, 3.7, 3.10, 3.12, 5.3, 5.4, 5.5, 8.1, 8.2 and 8.4, Articles 10, 11 and 13, together with any other provisions of this Agreement that are required for the proper interpretation of the foregoing. In addition, any liabilities or obligations of either Party arising before the expiration or termination of this Agreement or arising out of the events causing such expiration or termination, and any damages or other remedies to which a Party may be entitled (as limited under this Agreement) under this Agreement, whether at law or in equity, arising from any breach of such obligations of a Party and any other provisions herein, the nature and intent of which is to survive termination of this Agreement, shall survive and shall not be affected by the expiration or termination of this Agreement.

13.10 No Partnership or Joint Venture.

This Agreement establishes and shall only be construed as establishing a contract between unrelated business entities for the provision of certain services and does not and shall not be construed or deemed to create or constitute a partnership or joint venture relationship between the Parties. Each Party hereby expressly disclaims any intention to create a partnership or a joint venture or to constitute the other Party as its agent (except as expressly provided in this Agreement) with respect to the subject matter hereof. Each Party shall be independently and solely responsible for all obligations arising in connection with its own employees (including any obligations incumbent upon such Party as an employer such as the payment of benefits and the withholding and remittance of applicable source deductions in respect of its employees).

13.11 Language.

The Parties have agreed that this Agreement and all documents related to this Agreement shall be drafted in the English language. Les parties aux présentes ont convenu que cette convention et tous les documents qui s'y rapportent soient rédigés en langue anglaise.

13.12 Governing Law.

This Agreement shall be governed by and construed in accordance with the laws, other than choice of law rules, of the Province of British Columbia.

13.13 No Fettering of Legislative Authority.

IBM expressly acknowledges and agrees that nothing in this Agreement shall be construed as an agreement by the Province to restrict, limit or otherwise fetter in any manner the Province's ability to introduce, pass, amend, modify, replace, revoke or otherwise exercise any rights or authority regarding legislation, regulations, policies or any other authority of the Province.

13.14 Binding Effect.

This Agreement shall be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns.

13.15 No Third-Party Beneficiaries.

Nothing in this Agreement, express or implied, is intended to confer upon any Person (other than the Parties and their successors and permitted assigns), and the indemnified parties who are expressly indemnified pursuant to the provisions of this Agreement, any rights, benefits or remedies of any kind or character whatsoever, and no Person shall otherwise be deemed to be a third-party beneficiary under or by reason of this Agreement.

13.16 Publicity.

Without limiting the generality of Section 13.4 of the Master Services Agreement, IBM shall submit to the to the Province all Publicity Materials relating to this Agreement or the transactions contemplated by this Agreement, in which the Province's name or any Province Marks are mentioned for consideration by the Province. IBM shall not use such Publicity Materials without the prior approval of the Province, which approval shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, in the event of potentially negative publicity or other potential adverse media in connection with the Services or this Agreement, IBM shall be entitled to respond to the same, provided that it prepares its response in consultation with the Province, including providing an advance copy of any written materials to the Province and incorporating comments of the Province where reasonable to do so. Any IBM response to negative publicity or other adverse media shall not contain derogatory comments or statements regarding the Province.

With respect to announcements, public notices and all other publicity materials relating to this Agreement or the transactions contemplated by this Agreement, in which the IBM's name or any IBM Marks are mentioned, the Province will make every reasonable effort to obtain IBM's prior approval of such materials, such approval not be unreasonably withheld or delayed, but there may be circumstances where departments or ministries outside of CITS may release such materials without CITS' or Management Services' knowledge. In such event, promptly upon becoming aware of such materials having been released, the Province will notify IBM and review the materials with IBM.

13.17 Counterparts.

This Agreement may be executed in several counterparts, each of which shall be deemed to be an original. Such counterparts together shall constitute one and the same instrument, notwithstanding that all of the Parties are not signatories to the original or the same counterpart.

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, AS REPRESENTED BY THE MINISTER OF MANAGEMENT SERVICES

Name: Cairine MacDonald
Title: Deputy Minister, Ministry of Management Services

IBM CANADA LIMITED

By: _____
Name: Greg Gulyas
Title: Vice President, Public Sector IBM Global Services

ACKNOWLEDGEMENT

ISM hereby acknowledges to the Province that IBM has contracted with ISM to perform those obligations specified in this Agreement, including those which IBM has agreed to "cause" ISM to perform, and that ISM is aware of those obligations.

ISM INFORMATION SYSTEMS MANAGEMENT CANADA CORPORATION

By: _____
Name: Gord Luciuk
Title: General Manager

SCHEDULE 1

DEFINITIONS

"**Accrued Pre-1978 Sick Bank**" means sick leave credits accrued and owing to Transferred Employees who were employed by the Province prior to 1978, the number of days/hours and the dollar value for each Transferred Employee.

"**Agreement**" means this Master Transfer Agreement and all Schedules attached to this Master Transfer Agreement, as the same may be amended, supplemented or updated from time to time in accordance with the terms of this Master Transfer Agreement.

"**Assignable Contracts**" means all contracts listed in **Schedule 5**.

"**Assigned Contracts**" means all Assignable Contracts for which the Province has, now or in the future, assigned its rights and obligations thereunder to IBM, and for which IBM has, now or in the future, accepted and assumed from the Province the Province's rights and obligations thereunder pursuant to one or more written assignment and assumption agreements to be entered into between the Province and IBM.

"**Auxiliary Employees**" means Union Employees and Management Employees who are employed by the Province for work which is not of a continuous nature such as: (i) seasonal positions; (ii) positions created to carry out special projects or work which is not continuous; (iii) temporary positions created to cover employees on vacation, short term disability leave, education leave, compassionate leave, or other leave; and (iv) temporary positions created by special programs such as the summer student employment program, winter works programs for the unemployed, emergencies such as floods or other special temporary programs.

"**BCGEU Action**" means the action filed in 2004 under No. C4 0879 in the Victoria Supreme Court under the style of cause: *British Columbia Government Employees Union v. The Minister of Health Services and the Medical Services Commission.*

"**Collective Agreement**" means the Thirteenth Master Agreement between the Government of British Columbia, represented by the Public Service Employee Relations Commission and the B.C. Government and Service Employees' Union (BCGEU) made the 23rd day of May, 2001, including all Memorandums of Agreement extending the Collective Agreement to March 31, 2006, and all memorandums of understanding and letters of understanding in respect thereof entered into prior to the Effective Date.

"**Collective Bargaining Agreement**" means the collective bargaining agreement between ISM and the British Columbia Government and Services Employees Union dated effective December 6, 2004.

"**Consolidated Terms and Conditions for Management Employees**" means the terms and conditions of employment to which Transferred Management Employees are subject to immediately prior to the Commencement Date.

"**Contingent Transferred Employees**" means collectively the Leave Management Employees and the Leave Union Employees, who in the aggregate are comprised of seven (7) In-Scope Employees as at the Effective Date.

"**Effective Date**" the date of this Agreement as set forth on the first page of this Agreement.

"**Employment Transfer Date**" means the date on which a Transferred Employee commences employment with ISM, which shall be the Commencement Date or, for the Contingent Transferred

Employees, the date on which they commence employment with ISM in accordance with the offers of employment made by ISM to the Contingent Transferred Employees, provided that such date is within twenty-five (25) months after the Commencement Date.

"**Extended Leave Employees**" means the two (2) Contingent Transferred Employees who did not receive offers of employment from ISM as described in Section 3.1, and the one (1) Contingent Transferred Employee who received an offer of employment from ISM that was subsequently rescinded.

"**In-scope Employees**" means the Union Employees and Management Employees and each individually is an "**In-scope Employee**", which in the aggregate are 190 people.

"**ISM Benefit Plans**" has the meaning given to it in Section 5.1.

"**Leave Management Employees**" means Management Employees who are on leave approved by the Province or who go on leave approved by the Province prior to the Commencement Date.

"**Leave Union Employees**" means Union Employees who are on leave approved by the Province or who go on leave approved by the Province prior to the Commencement Date.

"**Management Employees**" means those employees of the Province (who are not Union Employees) who have been actively performing certain of the Services internally for the Province prior to the Commencement Date, who have not accepted any retirement or severance offers from the Province prior to or effective as of the Commencement Date, and who have been identified by the Province as eligible for transition from the Province to ISM.

"**Master Services Agreement**" means the Master Services Agreement between the Province and IBM, of even date.

"**Non-Assignable Rights**" has the meaning given to it in Section 2.3.

"**Province Benefit Plans**" means the employee benefit plans provided by the Province to some or all of the Transferred Employees, as listed in **Schedule 3**.

"**Province Employment Agreements**" means all contracts, agreements, letters, memos, policies, plans and other documentation of the Province, including the Collective Agreement, which relate to compensation and other terms and conditions of employment of any of the Transferred Employees.

"**Province Accrued Pre-1978 Sick Bank Liability**" means CAD$26,000, which the Parties agree is the current value of the Accrued Pre-1978 Sick Bank in respect of the Transferred Employees.

"**Province Time Bank Days**" means, in respect of a Transferred Employee, the number of days and fractions of days of vacation, vacation carry over, compensatory time off, displaced vacation, archived vacation and executive benefit plan banked time, all as accrued by the Transferred Employee under the Province Time Bank Program in respect of service prior to the Employment Transfer Date.

"**Province Time Bank Liability**" has the meaning given to it in Section 5.3.

"**Province Time Bank Program**" means the programs and policies maintained by the Province prior to the Commencement Date which allow employees to bank unused vacation, vacation carry over, compensatory time off, displaced vacation, archived vacation and executive benefit plan banked time, and to redeem such banked days and fractions of days for time off from work, cash or for Management

Employees, certain optional benefits in accordance with the Province Benefit Plans and the Province Employment Agreements.

"**Recurring Illness or Injury**" has the meaning given to it in Section 3.8.

"**Regular Employee**" has the meaning given to it in the Collective Agreement.

"**Retirement Allowance Costs**" means the proportionate contribution of the Province for a Retirement Allowance Entitlement paid by ISM to a Transferred Employee prior to the expiry of the Initial Term. The proportionate contribution of the Province will be determined by (i) multiplying the amount of Retirement Allowance Entitlement paid to the Transferred Employee by the total number of years of continuous employment of such Transferred Employee with the Province immediately prior to that employee's the Employment Transfer Date, and then (ii) dividing the figure calculated in (i), immediately above, by the total number of years of continuous employment with both the Province (years of service prior to the Employment Transfer Date) and ISM (years of service from the Commencement Date to the date of termination).

"**Retirement Allowance Entitlement**" means, in respect of Union Employees who have completed at least 20 years of continuous service with the Province prior to the Employment Transfer Date and who are entitled to a superannuation allowance upon retirement pursuant to the Public Service Pension Plan Rules, the length of service payment to which such Union Employees are entitled to pursuant to Article 27.18 of the Collective Agreement and, in respect of Management Employees who have completed at least 20 years of continuous service with the Province prior to the Employment Transfer Date and who are entitled to a superannuation allowance upon retirement pursuant to the Public Service Pension Plan Rules, the allowances to which such Management Employees are entitled pursuant to Section 58 of the Consolidated Terms and Conditions for Management Employees.

"**Transferred Employee Claims**" means those employment-related claims of the Transferred Employees arising prior to the Employment Transfer Date, all as set forth in **Schedule 4**.

"**Transferred Employees**" means the Transferred Union Employees and the Transferred Management Employees.

"**Transferred Management Employees**" means those Management Employees of the Province who have accepted offers of employment made by ISM as of the Commencement Date or a subsequent employment date, as applicable.

"**Transferred Union Employees**" means the Union Employees of the Province who have elected to accept continued employment with ISM as of the Commencement Date or a subsequent employment date, as applicable.

"**Union Employees**" means those employees employed by the Province pursuant to the Collective Agreement and who have been performing certain of the Services internally for the Province prior to the Commencement Date and who have been identified by the Province as eligible for transition from the Province to ISM.

SCHEDULE 2

LIST OF TRANSFERRED EMPLOYEES

1. **Transferred Management Employees**

s.22

2. **Transferred Union Employees**

First Name	Surname	First Name	Surname	First Name	Surname

s.22

First Name	Surname	First Name	Surname	First Name	Surname

s.22

* These Transferred Union Employees are Contingent Transferred Employees. The Parties agree that for the purposes of Section 3.8 of this Agreement and only for the purposes of Section 3.8 of this Agreement,

s.22

as at the Commencement Date and who commences employment with ISM in accordance with this Agreement on the Commencement Date.

SCHEDULE 3

PROVINCE BENEFIT PLANS

Health

Extended Health Plan (carrier: Pacific Blue Cross)
Dental Plan (carrier: Pacific Blue Cross)
Medical Services Plan

Disability

Weekly Indemnity
Short Term Illness and Injury
Long Term Disability (carrier: Great-West Life Assurance Company)

Life Insurance

Group Life Insurance (carrier: Great-West Life Assurance Company)
Optional Spouse and Dependent Insurance (carrier: Great-West Life Assurance Company)
Group Aviation Insurance (RBC Life Insurance)

Retirement and Pension

Retirement Allowance
Canada Pension Plan
Public Service Pension Plan

Savings

Deferred Salary Leave Plan (carrier: Group Retirement Services, Great-West Life-London Life – Canada Life)
Payroll Savings
Registered Retirement Savings Plan (The Province does not actually have a plan set up, however, this plan permits the employee to complete a form for tax reduction at source. Any employer is able to use this form available through the Canada Revenue Agency)

Other

Employment Insurance
Workers' Compensation
Employee and Family Assistance Plan (Brown Crawshaw)

SCHEDULE 4

TRANSFERRED EMPLOYEE CLAIMS

1. s.22 grievances have been made by s.22 against the Province, all of which relate to the Province contracting out services.

SCHEDULE 5

ASSIGNABLE CONTRACTS

1. Ministry of Education Short Form Standard Contract dated June 23, 2000 between Her Majesty the Queen in Right of the Province of British Columbia, represented by the Minister of Management Services (formerly represented by the Minister of Education) and Nexinnovations Inc. (formerly EDS Innovations Inc.), as amended by Contract Amendment #1 dated November 2, 2000, as amended by Contract Amendment #2 dated March 2, 2001, as amended by Contract Amendment #3 dated March 22, 2001, as amended by Contract Amendment #4 dated July 12, 2001, as amended by Contract Amendment #5 dated October 10, 2001, as amended by Contract Amendment #6 dated March 7, 2002, as further amended by Amending Agreement #7 dated March 27, 2003, and as further amended by Amending Agreement #8 dated March 30, 2004.

2. Consulting and General Services Contract dated March 8, 2002 between Her Majesty the Queen in Right of the Province of British Columbia, represented by the Minister responsible for Common IT Services (CITS) of the Ministry of Management Services (originally represented by the Minister of Forests Information Management Group) and Compugen Services Ltd., as amended by Modification Agreement dated March 30, 2003.

3. Service Contract (General) dated April 3, 2002 between Her Majesty the Queen in Right of the Province of British Columbia, represented by the Minister responsible for Common IT Services (CITS) of the Ministry of Management Services (originally represented by the Ministry of Forests) and Compugen Services Ltd., as amended by Modification Agreement dated March 30, 2003.

4. Technology Infrastructure Implementation and Support Services Agreement dated December 23, 1999 between Her Majesty the Queen in Right of the Province of British Columbia, represented by the Minister responsible for Common IT Services (CITS) of the Ministry of Management Services (originally represented by the Ministry of Social Development & Economic Security) and Syscom Consulting Inc., as amended by a Systems Professional Services Contract, Amendment dated January 25, 2002, as amended by a Systems Professional Services Contract, Amendment dated June 12, 2002, and as further amended by Modification Agreement dated July 7, 2003.

5. Service Contract (General) commencing March 18, 2002 between Her Majesty the Queen in Right of the Province of British Columbia, represented by the Minister of Human Resources and EDS Canada Inc., as amended by Service Contract (General) Amendment dated January 29, 2003, and as further amended by a Modification Agreement dated April 20, 2004.

6. Service Contract (General) dated April 1, 2002 between Her Majesty the Queen in Right of the Province of British Columbia, represented by the Minister responsible for Common IT Services (CITS) of the Ministry of Management Services (formerly represented by the Public Affairs Bureau) and RMI Financial Services, as amended by Modification Agreement #1 - Contract CCB301 dated July 3, 2002, as amended by Modification Agreement - RMI Financial Services - Contract Number -CCB301 - Renumbered to: C03PRE717 dated July 31, 2002, as amended by Modification Agreement - RMI Financial Services - Contract Number: C03PRE717 dated November 4, 2002, as amended by Modification Agreement dated March 31, 2003 and as further amended by Modification Agreement dated March 31, 2004.

7. That portion of the Systems Professional Services Contract dated March 27, 2002 between Her Majesty the Queen in Right of the Province of British Columbia, represented by the Minister of Management Services (formerly represented by the Ministry of Provincial Revenue, Strategic Initiatives and Administration Division) and Sonoma Group Technologies Inc., as amended by a Systems Professional Services Contract, Amendment dated August 23, 2002, as amended by Systems Professional Services Contract, Amendment dated November 1, 2002, as amended by Systems Professional Services Contract, Amendment dated December 30, 2002, as amended by Systems Professional Services Contract, Amendment dated January 29, 2003, as amended by Amending Agreement No. 5 dated June 9, 2003, and as further amended by Amending Agreement No. 6 dated March 30, 2004, concerning IT services.

8. Systems Professional Services Contract dated June 5, 2001 between Her Majesty the Queen in Right of the Province of British Columbia, represented by the Attorney General and 341234 BC Ltd. (dba Microserve), as amended Systems Professional Services Contract Amendment #1 dated October 28, 2002, and as renewed by a Letter dated September 30, 2003.

SCHEDULE 6

TRANSITION PROCEDURES

1.0 Introduction

This Schedule sets forth an outline of the Transition activities the Province and IBM and ISM will perform during the Transition Period in accordance with this Agreement which together describe the "Stage 1" of the implementation project described in Schedule Z of the Master Services Agreement.

2.0 Transition Overview

Objectives:

All employee functions have been transferred to ISM to deliver the Services under the current operating environment based on the Province's current workstation services interim delivery model document.

1. Transfer of employees as defined by this Agreement with ISM holding operational responsibility; and

2. Minimal disruption to the Province's services during the transition to IBM/ISM operating and business processes and environment.

Completion Criteria:

1. All staff have been transferred to ISM in accordance with Article 3: Employees of the Master Transfer Agreement.

2. Orientation and induction program will commence within 60 days of the Employment Transfer Date.

3.0 Transition Team

1. ISM will appoint an HR Transition Manager who will be responsible for overseeing the completion of ISM's Transition responsibilities and coordinating activities for the duration of the Employee/HR Transition Period. The HR Transition Manager will be coordinate activities with the Transition Manager described in Schedule Z of the Master Services Agreement as required and the HR Transition will be managed within the methodology described within Schedule Z.

2. The ISM HR Transition Manager will report to the Transition Manager and the Joint Program Office and provide regular status reports as defined by the Joint Program Office.

4.0 Roles

IBM ROLE	PROVINCE ROLE
Employee/HR Transition Manager	HR Transition Manager
ISM Canada WSS Managers	
ISM Canada HR Managers	

A detailed description of these roles will be documented in the detailed version of the Transition Plan which, in accordance with Schedule Z of the Master Services Agreement, is to be prepared within 60 days of the Commencement Date.

The attached project plan chart titled "BC WSSP – ISM Canada" sets out a schedule of events and tasks currently expected to form part of the Transition Plan, some of which are have been completed or are underway as of the Effective Date.

5.0 Responsibilities

IBM Responsibilities:

1. IBM will cause ISM to perform the transition responsibilities set forth in the Master Transfer Agreement, as further detailed in the Transition Plan, specifically but not limited to:

   (a) Completion of the hiring process for the Transferred Employees

   (b) Enrolment of Transferred Employees in ISM Benefit Plans

The Province Responsibilities:

1. The Province will assist and facilitate the implementation of the HR Transition activities in accordance with its obligations under this Agreement.

6.0 The Transition Plan

The detailed Transition Plan will include but not be limited to:

1. Identifying any further resources required to perform the HR Transition;

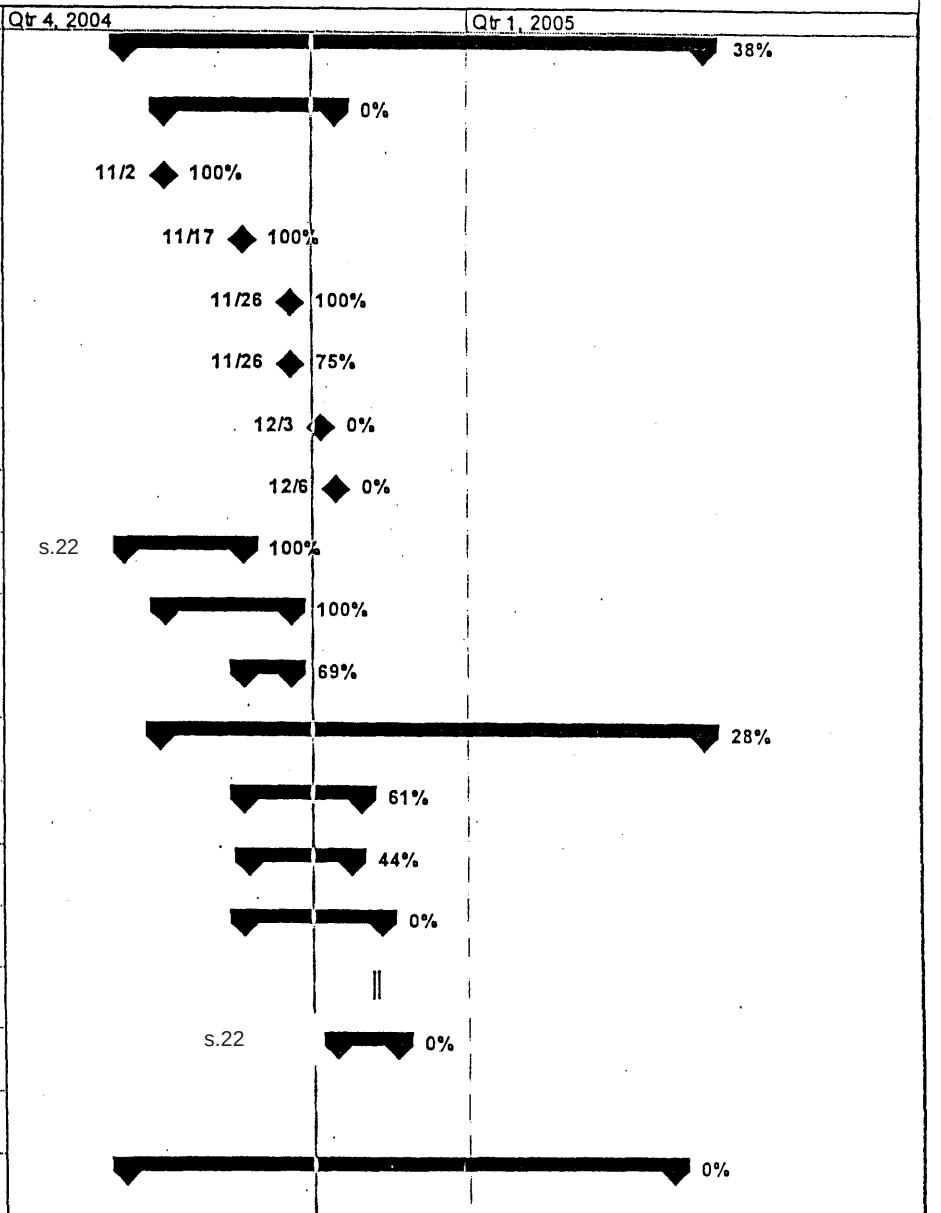
2. Establishing the communications management plan:

   (a) IBM will cause ISM to, in cooperation with the Province, identify key stakeholders to be managed;

   (b) IBM will cause ISM to develop and manage the engagement and communication transition plan for transferred employees.

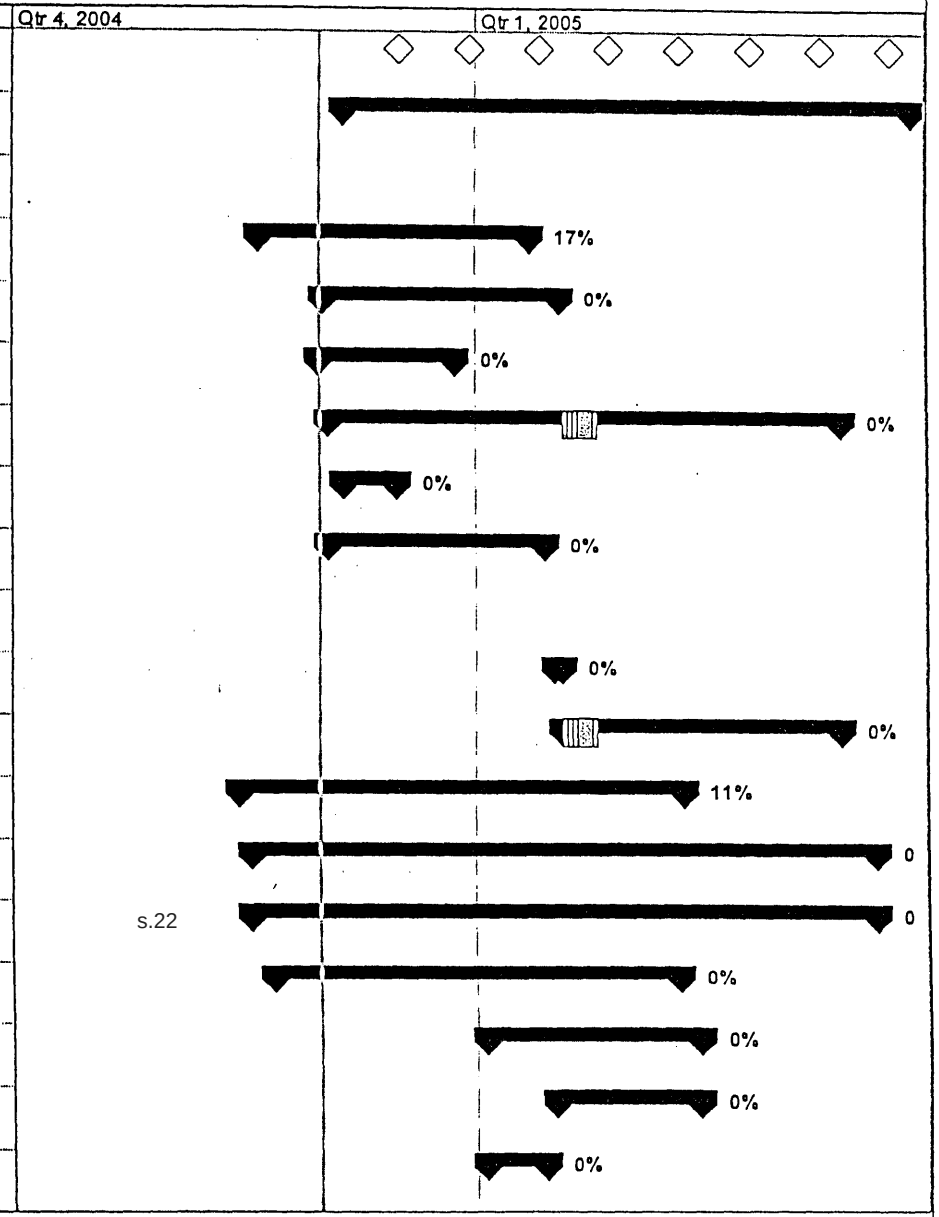
BC WSSP - ISM Canada

ID	WBS	Task Name
1	1	**Magilla HR**
2	1.1	**Management Milestone Summary**
3	1.1.1	Offer of Employment Starts
4	1.1.2	Offer of Employment Ends
5	1.1.3	Establish ISM Canada BC Organization
6	1.1.4	Admin Services Available
7	1.1.5	Migilla Contract Signed
8	1.1.6	Migilla Contract Effective Date
9	1.2	**Offer of Employment**
16	1.3	**Establish Initial ISM Canada BC Organization**
25	1.4	**Administration Setup**
31	1.5	**Infrastructure & Laptop Setup**
58	1.6	**Legal/Financial/Business Controls Setup**
62	1.7	**Employee Setup**
81	1.8	**On Board Sessions**
105	1.9	**New Manager Orientation**
112	1.10	**Auxilary/Contractor Employees**
116	2	**Transition Milestones**
118	3	**Interim Service Plan (ISP) Interlocks**



BC WSSP - ISM Canada

ID	WBS	Task Name
181	4	Pay Date
190	5	Interim Service Operations Milestones
200	6	Rework and Corrective Work
201	6.1	Complete Organizational Setup
207	6.2	Complete Employee Setup
215	6.3	Adjust Organization Structure
223	7	Setup/Procurement and Orientation Sessions
224	7.1	Cell Phone/Blackberry Procurement/Deployment
228	7.2	Deploy Employee Workstations
234	7.3	Employee Orientation Sessions
235	7.3.1	Orientation Session 1
248	7.4	Subsequent Employee Orientation Presentations
262	8	Acquire ISM Canada office location(s)
265	9	Transition Projects
266	9.1	Network Interconnection Procurement and Setup
273	9.2	Digital Dash Board (Build)
280	9.3	HR Projects
281	9.3.1	Cultural Assessment
285	9.3.2	Lunch and Learns



s.22

SCHEDULE 7

PROPOSAL FOR ASSIGNMENT OF ASSIGNABLE CONTRACTS

(See the Attached)

IBM Global Services

Proposal for Assignment of 3rd Party Contracts

Document Author/Owner: Greg Cunningham

Date: December 1, 2004

Version 1.2

Amended to reflect agreement November 6, 2004

1. Introduction 1
2. Proposal Summary 1
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4. Current Status of Contract Assignment 2
5. Implementation Strategy 2
6. Policy and Contract Considerations 3
7. Responsibilities of the Parties 3
8. Charges 4
9. Risks and Dependencies 4
10. Assumptions 5



IBM Global Services

Assignment of 3rd Party Contracts

1. Introduction

In the proposal made by IBM on June 1, I IBM made certain assumptions related to the value and scope of 3rd Party contracts and represented those assumptions within the Economic Model that was submitted. The primary assumption was that the Province would retain the third party contracts, and the parties would work together in Due Diligence to jointly wind-down the contracts to the extent possible in order to minimize the stranded cost to government. Subsequent to June 1 the Province and IBM have discussed the values, scope, required durations, and risks associated with the portfolio of contracts that need to be retained during the transition period. The Province has requested that IBM take Assignment of these contracts to reduce the Province's costs for administration and management of these contracts. In addition, the Province wishes to avoid the risk associated with the uncertainty of the end dates of these contracts due to any delays in the transition of the services from the 3rd parties to IBM.

2. Proposal Summary

IBM proposes to take the responsibility of these 3rd party contracts through a variety of approaches using the most appropriate approach for each contract. These approaches may include:

- Assignment of the contracts to IBM
- Termination of contracts and establishing new contracts directly with the 3rd Party

IBM proposes to take responsibility for the following contracts

- Microserve contract for services at the Ministry of Attorney General
- NexInnovation contract for services at the Ministry of Education
- Compugen contracts (2) for services at the Ministry of Forests
- Sonoma contract for services at the Ministry of Provincial Revenue
- Syscom contract for services at Ministry of Human Resources
- EDS contract for services at Ministry of Human Resources
- RMI Financial contract for services at the Office of the Premier.

The proposal assumes that responsibility for these contracts is effective January 1, 2005.

3. Approach

The approach to quantifying and completing the assignment process, including determining the final cost is based on three primary steps:

1. Establishing agreement from the vendors to the assignment including their agreement to provide the best estimate of the costs of the in-scope services
2. Establishing the detailed list of service responsibilities and their committed fixed or maximum price of the in-scope services
3. Completing and signing the Agreements for Assignment.

4. Current Status of Contract Assignment

Microserve	Agreed to assignment and release of costs
NexInnovations	Probably OK, checking with their head office
Compugen	Probably OK, checking with their head office
Sonoma	Agreement in principle to assignment and release of cost information
Syscom	Agreement in principle, will release costs after determining split of scope
EDS	Agreement in principle subject to legal concurrence, permission given to release costs

5. Implementation Strategy

The initial contract handling strategy is currently anticipated to be as follows:

Ministry/Vendor	Assignment YES/NO	Comments
Attorney General / Microserve	NO	IBM will establish a new contract directly with Microserve
Education / NexInnovation	YES	This will be handled by contract assignment. The Ministry desires that the IM portion of this subcontract be assumed and included as a service under WSS.
Forests / Compugen	YES	Two contracts will be handled by contract assignment.
Provincial Revenue / Sonoma	YES	This will be handled by contract assignment. The Ministry will have to establish a new contract directly with Sonoma Group for the non-WSS portion that continues until March 31, 2005
Human Resources / Syscom	YES	This will be handled by contract assignment. The Ministry desires that the IM portion of this subcontract be assumed and included as a service under WSS.

Human Resources / EDS	YES	This will be handled by contract assignment. This contract is project based. Current assumption is that all projects or project work scope can be transferred to IBM on or before MHR has completed Stage 3 of the WSS Agreement.
Office of the Premier / RMI Financial	NO	IBM prefers to establish a contract directly with RMI under IBM standard terms using an Agency for independent contractors.

This contract mechanics may change after further due diligence and negotiation occurs with the 3rd party vendors.

6. Policy and Contract Considerations

There are requirements within the Master Services Agreement (MSA) to flow down specific contract terms to IBM sub-contractors. IBM requests that specific exemption be made to waive this obligation with respect to the contracts that are the subject of this proposal. This is felt to be appropriate given the sunset nature of these contracts, and the Provinces desire to complete the assignment as soon as practically possible.

Where these subject contracts are a combination of in-scope and out-of-scope services, either CITS or the associated ministry will be required to take the necessary steps to have the out-of-scope services taken care of after the Assignment is complete. The options for handling these out-of-scope services include:

- Establishing a new agreement with the 3rd Party vendor
- Executing the appropriate tendering process to renew or replace the vendor
- Leverage the provisions within the WSS Agreement with IBM to have IBM provide New Services that are sufficiently related to WSS or within the original intent of the Province to be included in WSS. Under this provision, IBM is prepared to contract directly with the ministries for these new services or delivery the services under the WSS Agreement with CITS. This is the most advantageous for the Ministry and should minimize the overall cost and complexity to the Province.

7. Responsibilities of the Parties

IBM will:

- carry out sufficient due diligence to further define the contract values, scope, risk, and potential for variance to the costs
- endeavor to minimize the transitional resources required and the associated costs that may flow down to both the Province and IBM from the 3rd party contractors.
- assign a Project Manager to manage the contracts from an operational perspective, including completion of the step down and termination activities

- assign procurement and contract specialists to complete the necessary assignment agreements.

The Province will:

- assist IBM's due diligence activities to get specific details of the cost and scope of the contracts
- provide assistance to IBM to assume management of the contracts
- continue to pay for the contracts up to the effective date of the assignment, and then pay IBM directly post assignment (till July 31st,2005 or earlier in the event of early wind-down).

The responsibilities of the 3rd parties will be outlined within the transfer agreements and in other communications between IBM and the 3rd parties.

In the event that there are Ministry responsibilities to be carried out with each ministry involved, CITS will have the primary responsibility for communicating those responsibilities.

8. Charges

The charges to the Province through this arrangement will be as follows:

- 100% of the actual contract costs for the period of January 1 to March 31 plus 7.5% plus;
- $581,833 plus 7.5% for the period of April 1, 2005 to July 31, 2005 plus; and
- $100,000 for project management and administration to March 31, 2005.

Summary of Charges

January to March (estimate)	$938,206
April 1 to July 31, 2005 (fixed)	$625,471
PM and Administration to March 31 (fixed)	$100,000
PM and Administration post March 31, 2005	No Charge
Total Amount	$1,663,677

9. Risks and Dependencies

The following risks have been identified with the assignment of these contracts:

- Changes to the transition plan that alter the step down assumptions
- Unidentified projects that may be planned for next fiscal that are not in the current year contract values
- The 3rd parties increase their prices for granting an extension to IBM
- The 3rd parties decline to grant an extension to IBM

- The contract burn rate to date being greater than the proportional value of the contract
- The contracts are variable in nature as opposed to fixed price
- The contracts have ad hoc hourly based charges for services that are considered 'Business as Usual'
- The vendors applying charges for transition services to wind down their contracts.

This proposed approach is dependent on;

- IBM and the Province successfully negotiating and completing the Assignment process
- The Province taking the necessary steps to care for the non-WSS (mostly related new services) scope with the appropriate contracts and purchasing instruments.

10. Assumptions

The following assumptions have been made as of November 1, 2004:

- All vendors will agree to the approach and extend beyond the current term if required and will provide full details of the scope and cost of the contracts
- Costs will not exceed the current contract costs
- All vendors and the associated Ministries will agree to a step down of their services in accordance with our assumptions
- IBM contract management costs are included in our charges to the Province
- Costs related to requested changes to the step down schedule will be funded by the party requesting the change
- All contracts are currently between CITS and the vendor
- The Province is responsible for costs associated with assignment, procurement, or managing the non-WSS components of the contracts that are the subject of this proposal
- Flow down contract terms are not required for these transitional contracts
- That the assignment administration and negotiation between the Province, IBM and the third parties can be reasonably completed by January 1st, 2005.

LICENSE AGREEMENT

(Swing Space)

THIS LICENSE made as of the 6th day of December 2004,

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, represented by the Minister of Management Services

("Licensor")

AND:

IBM CANADA LIMITED

("Licensee")

RECITALS

A. British Columbia Buildings Corporation is the owner of certain office premises (the "**Premises**") situated at the locations described in Column 1 of the tables set out in Schedules A and C attached hereto;

B. The Province of British Columbia (the "**Province**") is the tenant of the Premises;

C. Pursuant to a Master Services Agreement (the "**MSA**") dated for reference December 3, 2004, made between the Licensor and the Licensee, the Licensee agreed to provide certain services (the "**MSA Services**") to the Province, as more particularly described therein;

D. Upon the Licensee beginning to provide the MSA Services, certain of the MSA Services will be performed from the Premises by the corresponding number of employees shown in Column 4 of the table set out in Schedule A attached hereto; and

E. As a term of the MSA, the Licensee agreed to enter into a License of portions of the Premises with the Licensor on such terms as hereinafter set forth, such portions to be licensed being described in Section 5 below (the "**Licensed Premises**").

IN CONSIDERATION of the premises, covenants and agreements herein contained and the sum of Ten Dollars ($10.00) now paid by each of the parties to the other, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree and covenant as follows:

AGREEMENT

1. **Interpretation** – All capitalized words and phrases herein that are defined in the MSA shall have the same respective meanings when used herein.

2. **Grant of License** – The Licensor hereby grants a License (the "**License**") to the Licensee for the use of the Licensed Premises by the Licensee for the purpose of providing the MSA Services until the termination of this License, together with those areas used in common by both Licensor and Licensee, and rights of access thereto for the purposes hereinafter provided and together with certain equipment, furniture and fixtures, including communications and information systems equipment, cabling and appurtenant items to be supplied by the Licensor to the standard necessary to permit the Licensee to deliver the MSA Services, including those identified in Schedule B attached hereto.

3. **Services** – Subject to the terms pursuant to which the Licensor occupies the respective Premises, the Licensor hereby grants to Licensee the right to receive all of the services and benefits with respect to the Licensed Premises that are to be provided to the Licensor in accordance with the terms pursuant to which the Licensor occupies each respective Premises. Notwithstanding the foregoing, although the parties contemplate that the owner of each respective Premises will, in fact, perform its obligations in accordance with the terms pursuant to which the Licensee occupies each respective Premises, in the event of any default or failure of such performance by such owner, the Licensor will, upon the specific written request of the Licensee, make demand upon the owner to perform its obligations under the related terms pursuant to which the Licensee occupies each the affected Premises without guaranteeing the owner's compliance to attend to such obligations.

4. **Term** – Each Licensed Premises will have its own term applicable thereto as set out in this Section 3:

(a) Premises #1-7 in the table set forth in Schedule A (the "**Victoria Swing Space**") shall each be for a term expiring on the earlier of:

(i) six (6) months after the Commencement Date; and

(ii) such period commencing on the Commencement Date and ending on the day on which (as agreed upon by the Licensor and the Licensee in writing) the Licensee can vacate the Licensed Premises without the Licensor incurring any resulting stranded costs as a result of the Licensee vacating the Licensed Premises and the Licensor not having a replacement occupant for such space;

provided that the term for such Licensed Premises shall end without requirement of notice, and without payment or penalty, upon termination of the Master Services Agreement. Notwithstanding the provisions of paragraph 4(a)(i), if the completion of the IBM Facilities is delayed as a result of Force Majeure, then the Licensee may request to the Licensor in writing that it wants to extend the term and, if the terms pursuant to which the Licensor occupies the respective Licensed Premises that comprise the Victoria Swing Space permit an extension of the term as aforesaid, then the Licensor will use its reasonable efforts to accommodate the Licensee's request to extend the term but the Licensor will not be required to enter into a renewal or extension agreement for or to pay any renewal or extension fee in respect of any Premises containing the Victoria Swing Space in order to accommodate such request by the Licensee;

(b) Premises #8-37 in the table set forth in Schedule A shall each be for a term commencing on the Commencement Date and expiring on March 31, 2007, unless such term is earlier terminated by the Licensee without payment or penalty by giving the Licensor not less than six (6) months' prior written notice of termination in respect of any of these Licensed Premises and provided that the term for such Licensed Premises shall end

without requirement of notice, and without payment or penalty, upon termination or expiry of the Master Services Agreement ;

(c) Premises #1-9 in the table set forth in Schedule C shall each be for a term commencing on the Commencement Date and expiring on March 31, 2015, unless such term is earlier terminated by the Licensee without payment or penalty by giving the Licensor not less than 30 days prior written notice of termination in respect of any of these Licensed Premises, provided that the term for such Licensed Premises shall end without requirement of notice, and without payment or penalty, upon termination or expiry of the Master Services Agreement; and

(d) Premises #10 in the table set forth in Schedule C shall each be for a term commencing on the Commencement Date and expiring upon completion of Stage 4 Transition, unless such term is earlier terminated by the Licensee without payment or penalty by giving the Licensor not less than 30 days prior written notice of termination in respect of any of these Licensed Premises, provided that the term for such Licensed Premises shall end without requirement of notice, and without payment or penalty, upon termination or expiry of the Master Services Agreement.

5. **Licensed Premises** – The parties hereto acknowledge and agree that the actual location and area of the Licensed Premises within the respective Premises may vary from time to time in accordance with the Licensee's use and the number of the Licensee's employees that use the Licensed Premises from time to time, and that the actual location of the Licensed Premises within each respective Premises shall be agreed upon by the parties from time to time, acting reasonably.

6. **Occupancy Charge** – The Licensee shall pay, or cause to be paid, to the Licensor each and every month until the termination of this License an occupancy charge ("**Occupancy Charge**") for the Licensed Premises equal to:

(a) $8,241 per annum per employee of the Licensee using the Licensed Premises described in Schedule A attached hereto, or as otherwise determined from time to time in writing by the parties hereto. The annual Occupancy Charge for each such Licensed Premises is shown in Column 5 of the table set out in Schedule A attached hereto (based on the initial number of the Licensee's employees working at each Licensed Premises, as shown in Column 4 of the table set out in Schedule A attached hereto); and

(b) $770 per month per server at the Licensed Premises described in Schedule C attached hereto, or as otherwise determined from time to time in writing by the parties hereto. The monthly Occupancy Charge for each such Licensed Premises is shown in Column 4 of the table set out in Schedule C attached hereto (based on the initial number of the servers at each Licensed Premises, as shown in Column 3 of the table set out in Schedule C attached hereto).

Such Occupancy Charge as set forth in paragraphs 6(a) and 6(b) above shall be due and payable on the 1st day of each month in advance during the Term and shall be pro-rated for any broken portion of a month. The Licensor shall deliver to the Licensee at least five (5) days before the first day of each month of the Term a monthly statement setting out the Occupancy Charge for that month

7. **License Only** – Nothing herein contained shall be construed as giving to the Licensee anything more than a License to use the Licensed Premises, and the use of the Licensed Premises shall

not create any interest in favour of the Licensee in the Licensed Premises other than the rights set out herein.

8. **Use at Licensee's Risk** – Except as otherwise set out in this License, the Licensee shall be liable for all losses, costs, damages, charges or expenses which may be sustained by the Licensor or those for whom the Licensor is, in law, responsible arising directly or indirectly from, or relating in any way to, the negligent use of the Licensed Premises by the Licensee, except to the extent that such liabilities or losses are due to or arise out of the fault of the Licensor or those for whom it is, in law, responsible.

9. **Compliance with Policies** – The Licensee shall comply at all times during the Term with all workplace policies established from time to time by the Licensor, which are communicated to the Licensee, including without limiting the generality of the foregoing all policies with respect to security and access to and from the Premises. Subject to the terms pursuant to which the Licensor occupies the respective Premises, the Licensee, its employees, contractors and agents shall have the right of 24 hours-per-day, 7 days- per-week access to the Licensed Premises.

10. **Insurance** – The Licensee shall effect and maintain, or cause to be effected and maintained, during the currency of this License such insurance as the Licensee is required to effect and maintain pursuant to the MSA.

11. **Damage** – The Licensee shall not make any alterations to the Licensed Premises without the prior written consent of the Licensor, such consent not to be unreasonably withheld. The Licensee shall make good any damage caused to the Licensed Premises by the Licensee or those for whom it is at law responsible, and the Licensor may enter and view the state of repair. At the expiration of the Term, the Licensee shall peaceably surrender and yield up the Licensed Premises to the Licensor in the condition existing at the commencement of the Term, subject to reasonable wear and tear and damage caused by the Licensor or those for whom the Licensor is legally responsible. If any Licensed Premises is destroyed or damaged by fire or other casualty, the Occupancy Charge applicable to such Licensed Premises shall abate, in proportion to the area of the Licenced Premises actually damaged or destroyed, from the date of the casualty to the date by which the Licensed Premises has been repaired. In the event of such damage or destruction the Licensor will have no obligation to repair or rebuild the Licensed Premises (or to cause the Licensed Premises to be repaired or rebuilt).

12. **Indemnification (Licensee)** – The Licensee hereby indemnifies and saves harmless the Licensor from any and all liabilities, damages, costs, suits, actions, fees (including solicitors' fees on a solicitor/client basis) and expenses arising out of:

(a) any damage to the property of the Licensor, caused wholly or in part by the negligent acts or omissions of the Licensee, its invitees, contractors or others for whom in law they are responsible; and

(b) any injury to a person or persons, including death incurred on or about the Licensed Premises or other areas adjacent thereto, caused wholly or in part by the negligent acts or omissions of the Licensee.

Such indemnification in respect of any breach, violation and non-performance, damage to property, injury or death, occurring during the Term shall survive the expiry or early termination of this License. Any such indemnification shall be subject to the Third Party Claim Process set forth in the MSA.

13. **Indemnification (Licensor)** – the Licensor hereby indemnifies and saves harmless the Licensee from any and all liabilities, damages, costs, suits, actions, fees (including solicitors' fees on a solicitor/client basis) and expenses arising out of:

(a) any damage to the property of the Licensee, caused wholly or in part by the negligent acts or omissions of the Licensor, its invitees, contractors or others for whom in law they are responsible; and

(b) any injury to a person or persons, including death incurred on or about the Premises or other areas adjacent thereto, caused wholly or in part by the negligent acts or omissions of the Licensor.

Such indemnification in respect of any breach, violation and non-performance, damage to property, injury or death, occurring during the Term shall survive the expiry or early termination of this Licence. Any such indemnification shall be subject to the Third Party Claim Process set forth in the MSA.

14. **Invalidity** – If any covenants, obligations or agreements contained in this License or the application thereof to any person or circumstance shall to any extent be held invalid or unenforceable, the remainder of this License or the application of such covenant, obligation or agreement to all persons or circumstances other than those to which it is held to be invalid or unenforceable, as the case may be, shall not be affected thereby and each covenant, obligation or agreement shall be separately valid and enforceable to the fullest extent permitted by law.

15. **Proper Law** – This License shall be exclusively construed by and governed in accordance with the laws of the Province of British Columbia and Canada applicable therein, and the parties hereby attorn to the exclusive jurisdiction of the courts of the Province of British Columbia.

16. **Successors and Assigns** – The covenants, conditions, agreements and provisions herein contained shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

17. **Further Assurances** – Each party hereto shall give such further assurances and shall execute and perform all such acts, deeds, documents and instruments as may be required to effectively implement the true intent of this License Agreement.

18. **Failure to Insist** – The failure of either party to insist upon the performance of any of the provisions, covenants, conditions or obligations of the License, or to exercise any option herein contained shall not be construed as a waiver or relinquishment of any such provision, covenant, condition, obligation or option. Receipt by either party from the other of any payment, or the acceptance or performance by either party of anything required by this License Agreement to be accepted or performed, with the knowledge of a breach of a provision, covenant, condition or obligation of this License Agreement, shall not be deemed a waiver of such breach, and no waiver of any provision, covenant, condition or obligation of this License Agreement shall be deemed to have been made unless expressed in writing and signed by the party against whom such waiver is charged.

19. **Time of the Essence** – Time is of the essence hereof.

20. **Interpretation** – Words in the singular include the plural, and words in the plural include the singular, and words importing the masculine gender include the feminine and in the case of a partnership, all Licensee's covenants, agreements, conditions and obligations shall be deemed to be joint and several between each of them.

21. **Notices** – Any notice to be given under this License shall be in writing and shall be validly given if delivered, telecopied or mailed in British Columbia by prepaid registered post to the parties as follows:

(a) to the Licensor at:

Ministry of Management Services
Common Information Technology Services
4000 Seymour Place
Victoria, British Columbia
V8X 9V1

AND:

PO Box 9412 Stn. Prov Govt
Victoria, British Columbia
V8W 9V1

Attention: WSS LOB Executive Director

Telephone No. (250) 356-2334

(b) to the Licensee at:

IBM Canada Limited
Real Estate & Site Operations
3500 Steeles Avenue East, Markham, ON L3R 2Z1

Attention: Manager, Real Estate Leasing

Fax No. (905) 316-4177

or to such other address or telecopy number as a party may advise the other by written notice hereunder. Any notice addressed and provided as aforesaid shall be deemed to have been given on the day of delivery or transmission of the telecopy if a Business Day and if not a Business Day, then on the next Business Day or if mailed, on the third Business Day following the posting thereof, provided that if there is a postal strike, dispute or slowdown, notices shall only be effective if delivered or transmitted by telecopy. "**Business Day**" means Monday to Friday inclusive of each week, excluding days that are statutory holidays in the Province of British Columbia

22. **Execution** – This License may be executed by the parties hereto and transmitted by telecopy and in any number of counterparts and if so executed and transmitted, this Agreement shall be for all purposes as effective as if the parties had delivered a single, executed original License.

IN WITNESS WHEREOF the parties have executed this License Agreement as of the year and date first above written.

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, AS REPRESENTED BY THE MINISTER OF MANAGEMENT SERVICES

Name: Cairine MacDonald
Title: Deputy Minister, Ministry of Management Services

IBM CANADA LIMITED

By: _____
Name: Greg Gulyas
Title: Vice President, Public Sector, IBM Global Services

SCHEDULE A

Premises

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5
	Premises Location	**Square Meters of Demisable Licensed Premises**	**Square Meters of Undemisable Licensed Premises**	**Number of Employees at Licensed Premises**	**Annual Occupancy Charge for Licensed Premises ($8,241 per annum per employee)**
1.	Victoria (Seymour)	193	782	35	$288,435
2.	Victoria (617 Government)	510		11	$90,651
3.	Victoria (940 Blanshard)	713		32	$263,712
4.	Victoria (836 Yates)	273		17	$140,097
5.	Victoria (2975 Jutland)	200		6	$49,446
6.	Victoria (1515 Blanshard)		160	8	$65,928
7.	Victoria (910 Government)		431	11	$90,651
8.	Abbotsford		20	1	$8,241
9.	Burnaby (6th St.)		40	2	$16,482
10.	Burnaby (Canada Way)		20	1	$8,241
11.	Campbell River		25	1	$8,241
12.	Dawson Creek		20	1	$8,241
13.	Fort St. John		40	2	$16,482
14.	Kamloops (1265 Dalhousie Dr.)		20	1	$8,241
15.	Kamloops (Columbia St.)		20	1	$8,241
16.	Kelowna		45	1	$8,241
17.	Nelson		40	2	$16,482
18.	Port McNeill		20	1	$8,241
19.	Surrey		60	3	$24,723
20.	Terrace		40	2	$16,482
21.	Vanderhoof		20	1	$8,241
22.	Burns Lake (CMWT)		13.2	1	$8,241

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5
23.	Cranbrook (CMWT)		54.8	2	$16,482
24.	Penticton (CMWT)		72.42	2	$16,482
25.	Prince George		140.0	5	$41,205
26.	Quesnel (CMWT)		25.5	1	$8,241
27.	Squamish		26.5	1	$8,241
28.	Vernon		23.9	2	$16,482
29.	Williams Lake (CMWT)		57.4	4	$32,964
30.	Castlegar	21.1		1	$8,241
31.	Chilliwack	14.1		1	$8,241
32.	Kamloops (1259 Dalhousie Dr.)	30.5		2	$16,482
33.	Nanaimo	267.1		5	$41,205
34.	Queen Charlotte City (trailer)	85.5		0	N/A
35.	Queen Charlotte City (Cemetary Rd.)	31.4		1	$8,241
36.	Smithers	104.5		2	$16,482
37.	Vancouver	77.0		4	$32,964

SCHEDULE B

Services and Equipment

- Office furniture
- Office supplies
- Access to FAX/Photocopy/Printer
- Storage space
- Email/IDIR/Virus fees/
- SPANDial fees for remote access
- Shared File Print/
- Share of Network fees
- Telephone/voicemail
- Secondary workstation/software/support fees
- Business administration support (1/60th of a central general reception pool)

SCHEDULE C

Server Space - Data Centre Facilities

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4
	Premises Location	**Approximate Square Feet or Rack space***	**Number of Servers**	**$ per server/month**
	SMS 2003 Regional Servers			
1.	Kelowna	3U	1	$770/month
2.	Kamloops	3U	1	$770/month
3.	Nelson	3U	1	$770/month
4.	Williams Lake	3U	1	$770/month
5.	Prince George	3U	1	$770/month
6.	Fort St. John	3U	1	$770/month
7.	Terrace	3U	1	$770/month
8.	Bella Coola	3U	1	$770/month
9.	TBD - (Possibly Dease Lake)	3U	1	$770/month
	SMS 2.0/RIS Server Swing Facilities			
10.	Vancouver - RNC	100 square feet	50 (estimate)	$38,500/month (based on estimate)

*Rack space for a single server (as defined by 3 U where "U" is an industry standard for racks.